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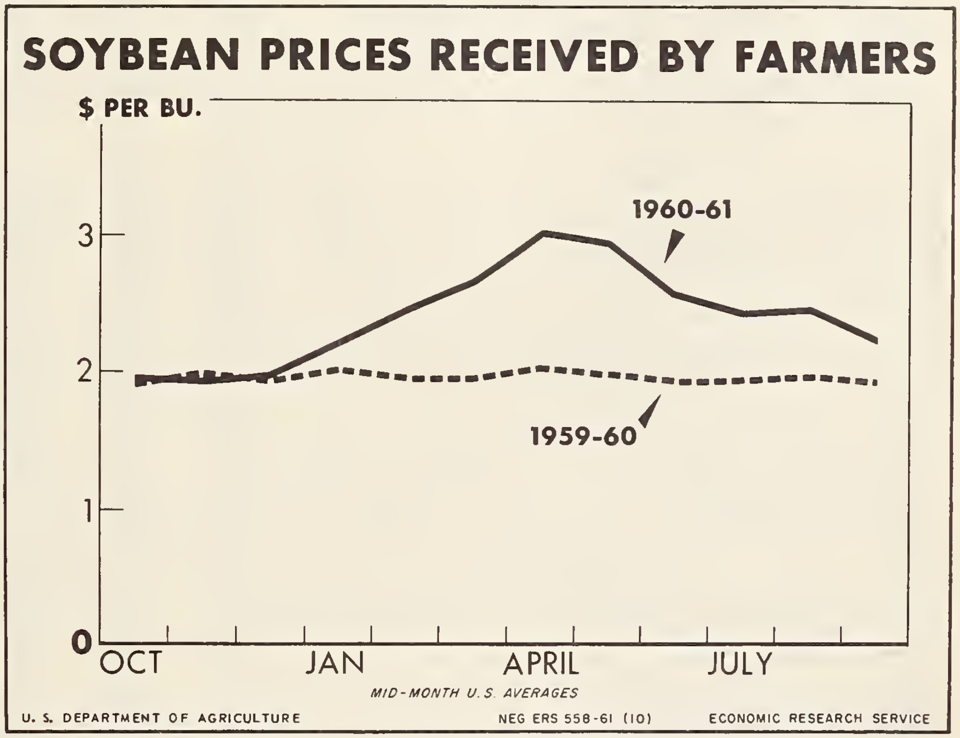
FATS and OILS SITUATION

Soybean prices to farmers in 1960-61 advanced $1.08 per bushel from the fall harvest low to the spring peak, reflecting smaller U.S. soybean supplies and reduced shipments of Chinese soybeans into world markets.

The seasonal swing in soybean prices in 1961-62 will at best be modest compared with 1960-61. The 1961 crop is up 27 percent and appears greater than expanding markets can use this year at expected market prices. Farm prices this fall are averaging near the CCC support of $2.30 per bushel. Prices during the marketing year are expected to advance only to reflect storage charges. Next summer the CCC sales price will tend to become the market price as crushers and exporters turn to CCC for supplies.



SOYBEAN PRICES RECEIVED BY FARMERS

U. S. DEPARTMENT OF AGRICULTURE NEG ERS 558-61 (10) ECONOMIC RESEARCH SERVICE

IN THIS ISSUE

1961-62 Export Outlook for U. S. Soybeans and Edible Oils Bright

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Table 1.--Wholesale and retail prices per pound for fats and oils

Item	September 1959	September 1960	1961 July	1961 August	1961 September
	Cents	Cents	Cents	Cents	Cents
Wholesale Prices:					
Butter, creamery, Grade A, (92-score) bulk, New York	64.4	61.6	61.3	61.5	61.4
Butter, creamery, Grade B, (90-score) bulk, Chicago	62.4	60.6	58.5	58.7	59.8
Butter, creamery, Grade A, (92-score) San Francisco	70.8	70.3	71.3	71.3	71.3
Castor oil, dehydrated, tanks, New York	25.1	25.0	25.0	25.0	25.0
Castor oil, No. 1, Brazilian, tanks, imported, New York	16.8	18.8	17.8	17.6	17.1
Castor oil, No. 1, tanks, f.o.b., New Jersey mills	20.0	20.0	20.0	20.0	20.0
Castor oil, No. 3, domestic, tanks, carlots, f.o.b. New York	19.3	19.3	19.3	19.3	19.3
Coconut oil, crude, tank cars, Pacific Coast, f.o.b. mills 1/	17.8	12.2	11.7	11.5	12.1
Coconut oil, crude, tanks, f.o.b. New York, 1/	18.9	14.1	12.3	12.6	12.4
Coconut oil, refined, drums, l.c.l., New York 1/	24.8	20.0	19.0	19.0	18.3
Cod oil, spot, drums, New York	8.2	8.4	8.1	8.1	8.1
Codliver oil, medicinal, U. S. P., barrels, New York	18.2	18.2	18.2	18.2	18.2
Corn oil, crude, tank cars, f.o.b. Midwest mills	11.5	12.2	16.1	16.7	18.4
Corn oil, refined, tanks, New York	15.2	15.9	19.8	20.5	22.5
Cottonseed oil, crude, tank cars, f.o.b., S. E. mills	10.6	9.4	13.5	13.6	13.5
Cottonseed oil, crude, tank cars, f.o.b., Valley	10.5	9.3	13.3	13.6	13.2
Cottonseed oil, crude, tank cars, f.o.b., Texas	10.3	9.3	13.1	13.3	12.9
Cottonseed oil, p.s.y., bleachable, tank cars, New York 2/	12.8	11.5	14.7	14.8	14.5
Cottonseed oil, refined, tanks, New York	14.0	12.5	16.6	16.8	16.4
Cottonseed-oil foots, raw (50 percent T.F.A.) delivered East	1.6	1.4	1.6	1.6	1.6
Degras, Common, barrels New York 3/	10.0	12.0	12.0	12.0	12.0
Degras, Neutral, barrels, New York 3/	21.0	13.0	13.0	13.0	13.0
Glycerin, soaplye, tanks, New York	18.5	18.2	12.5	12.5	12.5
Grease, A white, tank cars, delivered Chicago	5.9	5.3	6.1	5.8	5.5
Grease, B white, delivered, Chicago	5.4	4.7	5.2	5.4	4.9
Grease, yellow, delivered, Chicago	5.1	4.3	5.1	5.1	4.6
Grease oil, extra No. 1, drums, New York	14.8	13.8	8/12.1	8/12.0	8/12.0
Lard, loose, tank cars, Chicago	7.7	9.0	8.4	8.9	8.8
Lard, prime steam, tierces, Chicago	7.9	9.5	9.3	9.1	8.5
Lard, refined, 1-pound cartons, Chicago	12.6	14.2	14.2	14.7	14.9
Lard, refined, 1-pound cartons, New York	13.0	14.9	15.9	15.6	14.9
Linseed oil, raw, tank cars, Minneapolis	13.3	12.6	15.8	15.3	14.9
Linseed oil, raw, tanks, New York	14.8	13.7	16.8	16.3	16.0
Linseed oil, raw, drums, carlots, New York	16.8	16.2	19.4	18.8	18.5
Margarine, colored, delivered, Eastern U. S.	25.3	23.5	27.5	27.0	27.0
Margarine, yellow quarters, f.o.b., Chicago	26.0	24.2	27.8	27.2	27.2
Margarine, white, domestic vegetable, Chicago	24.0	22.0	25.8	25.2	25.2
Menhaden oil, crude, tanks, f.o.b. Baltimore	7.3	6.3	6.5	6.3	6.3
Menhaden oil, light pressed, tanks, New York	9.6	9.6	10.8	10.8	10.8
Neat's foot oil, 30°, drums, carlots, New York	28.0	27.0	27.0	27.0	27.0
Oiticica oil, drums, f.o.b. New York	22.0	16.0	15.8	16.0	16.0
Oiticica oil, tanks, New York	20.5	14.0	14.2	14.3	14.2
Oleo oil, extra, drums, Chicago	15.0	15.9	16.6	16.5	16.5
Oleo oil, extra, drums, New York	13.5	14.5	---	---	---
Oleostearine, barrels, New York	12.2	12.5	---	---	---
Olive oil, imported, edible, drums, New York	33.3	30.5	31.2	31.3	31.5
Palm oil, clarified, drums, f.o.b. New York 4/	14.0	14.4	14.8	14.8	14.8
Palm kernel oil, bulk, c.i.f., New York 5/	15.2	13.0	10.8	11.0	10.9
Peanut oil, crude, tank cars, f.o.b. S. E. mills	11.5	15.5	15.8	16.2	17.8
Peanut oil, refined, tanks, New York 6/	14.8	19.0	18.8	19.4	20.8
Rapeseed oil, refined (denatured), tanks, New York	13.1	13.0	17.5	17.4	17.1
Safflower oil, nonbreak, tanks, East Coast	15.8	15.5	18.3	18.1	17.5
Safflower oil, drums, East Coast	17.8	17.5	20.3	19.8	19.0
Sesame oil, refined, drums, New York	38.0	38.0	37.0	37.0	37.0
Shortening, Cottonseed, hydrogenated, 10-drum lots, New York	18.5	19.8	20.8	20.8	20.8
Soybean oil, crude, tank cars, f.o.b., Decatur	9.1	9.2	10.9	10.9	10.5
Soybean oil, refined, tanks, New York	11.3	11.0	13.3	13.1	12.7
Soybean oil, clarified, tanks, New York	11.0	10.8	12.7	12.7	12.3
Sperm oil, natural, 45°, drums, New York	13.5	14.8	16.5	16.5	16.5
Sperm oil, bleached, winter 38°, drums, New York	14.5	15.8	17.5	17.5	17.5
Tall oil, crude, tanks, works	2.8	2.9	3.2	3.2	3.2
Tall oil, refined, tanks, works	5.5	5.2	7.5	7.5	7.5
Tallow, edible, loose, Chicago	7.6	8.3	8.2	8.2	8.2
Tallow, inedible, packers' prime, tank cars, f.o.b. Chicago	6.2	5.5	6.2	6.1	5.7
Tallow, inedible, bleachable fancy, delivered, Chicago	6.2	5.5	6.0	6.1	5.6
Tallow, No. 1, inedible, delivered, Chicago	5.0	4.3	5.0	5.1	4.6
Tallow, special, inedible, tanks, delivered, New York	5.8	5.2	5.8	5.9	5.4
Tung oil, imported, drums, f.o.b. New York	25.6	24.2	29.4	29.3	30.5
Tung oil, tanks, New York	24.1	22.6	27.9	27.8	29.0
Tung oil, domestic, tanks, f.o.b. mills	22.8	22.6	27.9	27.7	28.7
Retail prices 7/					
Butter	76.6	75.0	76.3	76.3	76.3
Margarine	27.7	26.9	29.4	29.3	29.0
Lard	19.1	19.7	20.9	20.4	20.4
Shortening	29.4	27.6	31.0	30.6	30.7
Salad Dressing	37.6	35.9	37.9	38.0	38.1
Peanut Butter	55.5	55.6	55.7	55.7	55.7

1/ 3-cent processing tax suspended during October 1957-June 1963. 2/ Nearby futures. 3/ Beginning February 1960, quoted as 400 pound drums. 4/ Tax excluded. Tax does not apply to palm oil used in the manufacture of iron or steel products, tin and terne plate. Since 1943 these are the major uses of palm oil. 5/ 3-cent processing tax suspended during July 1959-June 1963. 6/ Prior to August 1959, quoted as drums. 7/ Leading cities. 8/ Beginning February 1961, quoted as Chicago.

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board, October 27, 1961

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SUMMARY

The total U. S. supply of edible fats, oils, and oilseeds during the 1961-62 marketing year is forecast at a record 16.1 billion pounds (in terms of oil), 2.1 billion pounds or 15 percent more than the quantity available a year earlier. The increase in production is largely due to the record 1961 soybean crop, although lard and butter output will be slightly greater in 1961-62 than a year earlier. Beginning stocks on October 1, 1961, were up somewhat (because of the huge carryover of soybean oil) from last year and total output of food fats in 1961-62 will hit a new high.

Domestic disappearance of food fats in 1961-62 probably will continue at about the annual rate of 46 pounds (fat content) per person. With the expected growth in population, total domestic use should increase by about 125-150 million pounds. These prospects indicate that the quantities of edible oils, soybeans, lard, and butter available for export in 1961-62 will be a record 7.0 billion pounds, approximately 2.0 billion pounds or 40 percent more than last year.

Current prospects are that exports of food fats (including the oil content of soybeans) through September 1962 may set a new record of around 4.5 billion pounds, roughly one-third more than the 3.2 billion pounds exported during 1960-61. Main factors in the export outlook include: (1) Europe will buy more U. S. soybeans because of expanding demand for soybean meal and the small supplies that are likely to be available from Communist China. Also, heavy buying by Europe this fall will, in part, reflect deferred purchasing last summer in anticipation of lower prices for new crop beans in the U. S.; (2) Japan recently removed her restriction on imports of U. S. soybeans. Demand from Japan will result in larger imports; and (3) sharp expansion in movement of edible oils (cottonseed and soybean oils) under the Food for Peace program--about 1,000 million pounds compared with 525 million in 1960-61. Most of this expansion will consist of donations through charitable agencies. There will also be expanded exports of edible oils to Pakistan under the recently signed 4 year agreement and to Turkey under Title I, P. L. 480 whereas last year there was no program with Turkey. Increased exports for dollars to Spain are likely, reflecting reduced olive oil production in that country.

The 1961-62 supply of soybeans in the United States is placed at 716 million bushels, up 134 million from the previous year. An increase in supply this large is greater than can readily be absorbed by the expanding soybean market outlets during 1961-62 at expected market prices; and a sharp increase in carryover stocks on October 1, 1962, will occur.

The season average price received by soybean farmers for 1961 crop soybeans is forecast at $2.30 per bushel, about 5 percent more than a year earlier. The seasonal swing in soybean prices during 1961-62 is likely to be considerably less than the unusually large increase last year and prices will be linked closely to the CCC price support operations.

Farm prices during the heavy soybean harvesting season this fall are averaging near the national support rate of $2.30 per bushel. After the heavy harvest period, prices to farmers likely will return to the loan level and advance seasonally to reflect storage costs. The CCC probably will take over a substantial amount of 1961 crop soybeans on June 1, 1962, and its resale price will be at least 16.5 cents per bushel over the $2.30 per bushel loan rate during the summer. The CCC sales price will tend to become the market price at that time as soybean crushers and exporters turn to the Government for supplies to meet commitments for the remainder of the marketing year. This has usually been the case in years of substantial take over of soybeans by CCC.

Soybean crushings in 1961-62 are forecast at a record 425 million bushels, up about 23 million bushels from the previous year. A bean crush this size would produce about 4.6 billion pounds of crude soybean oil and 10.0 million tons of soybean meal.

A factor limiting the crush is the record carryover of soybean oil which on October 1, 1961 was the bean equivalent of 62 million bushels, and more than double a year earlier. On the other hand, the Food for Peace Program will pick up momentum during 1961-62 (450 million pounds of edible oils--250 million already bought--scheduled so far for donation to needy abroad) and this will help boost soybean crushings. Domestic use of soybean oil is forecast at 3,500 million pounds and soybean oil exports at 1,350 million pounds. Soybean oil prices in 1961-62 are expected to average about the same as a year earlier but meal prices probably will average a little lower. Prices of both oil and meal are expected to vary less during the course of the 1961-62 marketing year than a year ago, mainly because of more stable bean prices in the year ahead and the early announcement of CCC pricing policy.

Soybean seed and feed uses probably will require about 40 million bushels of beans. If soybean crushing (425 million bushels) and soybean export (175 million bushels) estimates are reasonally accurate, carryover stocks of old crop beans on October 1, 1962, may be around a record-high 75 million bushels, compared with a mere 6 million bushels on the same date this year and the record 62 million bushels of October 1, 1959. Most of the carryover of 1961 crop beans likely will be in the hands of CCC. A soybean carryover of 75 million bushels would be enough to satisfy a little more than one month's peak crush and export.

Cottonseed production in 1961-62 is placed at 5,942,000 tons, about the same as a year ago. A crop this size will produce about 1,850 million pounds of crude cotton oil and about 2,550,000 tons of cake and meal, about the same quantities for both products as last year. Prices to farmers for 1961 crop cottonseed are expected to average slightly above the CCC purchase price of $45.00 per ton, basis grade (100), about 6 percent more than those received for the 1960 crop. Cotton oil prices probably will average slightly higher than last year and average meal prices may not differ much from 1960-61.

Lard output (including farm) in 1961-62 is forecast at 2,650 million pounds, about 5 percent more than last year. Higher output in the year ahead is expected to result in lower lard prices and more lard used in the manufacture of shortening. Little change in exports is expected.

Butter output (including farm) in the 1961-62 marketing year that began October 1, is estimated at 1,550 million pounds, about 3 percent more than a year earlier. Prices to farmers for butterfat likely will average at about the CCC support level of 60.4 cents per pound, about the same as in the previous year. Commercial demand for butter probably will be lower in the year ahead but total consumption may be maintained by substantially larger distributions from CCC stocks to school lunch and welfare outlets.

The total supply of peanuts (farmers' stock basis) in the 1961-62 marketing year, which began August 1, is estimated at 2,080 million pounds, 5 percent less than last year. Supplies this year are nevertheless considerably greater than domestic needs for food and farm uses, and CCC will acquire the surplus under the support program. As in the case for most recent years, prices to growers for 1961 crop peanuts are likely to average at about the support level of 11.0 cents per pound compared with the 1960 support of 10.1 cents. A large quantity of peanuts acquired by CCC under the 1961 support program will be diverted by the CCC into peanut butter manufacture for distribution to school lunch and needy persons.

The domestic flaxseed supply situation during 1961-62 is expected to be tight, as output is down sharply (lower acreage and drought) and stocks are low. Flaxseed supplies in the 1961-62 marketing year, which began July 1, are estimated at 27 million bushels compared with 33 million last year. Crushings of flaxseed for domestic oil use may total around 19 million bushels, slightly less than last year; another 2 million will be needed for seed. Exports are expected to total about 2 million bushels (about 1 million has already moved out), leaving only 3 million bushels for carryover stocks on July 1, 1962. The season average price received by farmers for 1961 crop flaxseed is estimated at $3.40 per bushel, 60 cents above the 1961 support price and 75 cents above the average price received for 1960. The price reflects the close balance in flaxseed this year between supply and demand in the U. S. and the world shortage which probably will not be alleviated until the Argentine crop comes to market in early 1962.

Inedible tallow and grease output in 1961-62 is forecast at a record 3.6 billion pounds compared with 3.5 billion last year. The rise reflects a prospective increase in both cattle and hog slaughter. Domestic use of inedible tallow and grease is forecast at 1.8 billion pounds or about the same as the last 4 years. Exports are forecast at a new high of 1.8 billion pounds compared with 1.7 billion in 1960-61. The level of exports will again this year be a key factor in the price situation. Prospects are that prices during 1961-62 will be more stable than last year and probably average in the 5-6 cents per pound level, slightly lower than in 1960-61.

OUTLOOK

Soybean Supplies in 1961-62 Placed at a Record 716 Million Bushels; Carryover to Rise Sharply

Soybean supplies in the 1961-62 marketing year are placed at 716 million bushels, an increase of 134 million over the year before. The 1961 soybean crop is up 27 percent but carryover stocks of old crop beans on October 1, 1961, were only 6 million bushels--about one-fourth as much as the 23 million bushels on the same date in 1960 (table 3).

An increase in supply this large is greater than can readily be absorbed by the expanding soybean market outlets during 1961-62 and a sharp buildup in carryover stocks will occur. Carryover stocks of 1961 crop soybeans on October 1, 1962 are currently forecast at 75 million bushels, compared with a mere 6 million bushels on the same date this year and the record 62 million bushels on October 1, 1959. A soybean carryover of 75 million bushels would be enough to satisfy a little more than one month's peak crush and export.

The 1961 soybean crop was estimated as of October 1 at 710 million bushels, 152 million bushels more than in 1960 and surpassing the previous record set in 1958 by 130 million bushels. The 27.9 million acres planted alone for all purposes is 14 percent, or about 3.5 million acres above last year. Of the total acreage planted, farmers intend to harvest 27.1 million acres for beans, about 15 percent above last year and 13 percent above 1958. The October 1 indicated yield of 26.2 bushels per acre compared with 23.6 bushels last year and the previous record of 24.2 in 1958. Near ideal weather prevailed during the growing season.

Soybean Farm Prices This Fall Will Be Above 1960 but Next Spring Will Average Below Year Earlier

The U. S. season average price received by soybean farmers for 1961 crop beans is forecast at $2.30 per bushel compared with $2.21 per bushel received a year ago. The seasonal swing in soybean prices during the current marketing year is likely to be considerably less than the unusually large increase last year and prices in 1961-62 will be linked more closely to the CCC price support operations.

Prices to farmers for 1961 crop soybeans are being supported at a national average farm price of $2.30 per bushel, up 45 cents per bushel from last year. The support is equal to approximately 79 percent of the March 1961 parity price of $2.90 per bushel. Loans and purchase agreements are available through January 1962. Loans mature on May 31, 1962.

Farm prices during the heavy soybean harvesting season this fall are averaging near the national support rate of $2.30 per bushel. After the heavy harvest period, prices to farmers likely will return to the loan level and advance seasonally to reflect storage costs. The CCC probably will take over a substantial amount of 1961 crop soybeans on June 1, 1962, and its resale price will be at least 16.5 cents per bushel over the $2.30 per bushel loan rate during the summer. The CCC sales price will tend to become the market price at that time as soybean crushers and exporters turn to the Government for supplies to meet commitments for the remainder of the marketing year. This has usually been the case in years of substantial acquisition of soybeans by CCC.

Last season under the stimulus of record disappearance and the close supply-demand situation, prices received by farmers for 1960 crop soybeans advanced sharply from $1.94 per bushel in October 1960 to a seasonal peak of $3.02 in April, then declined sharply to $2.24 in September 1961. This was the greatest variation in soybean prices since the 1955-56 marketing year. The spectacular rise in soybean prices came after most of the 1960 soybean crop had left the farmers' hand--over half the crop had moved from farms at less than $2.00 per bushel during 1960-61.

1961-62 Soybean Crushings Forecast at 425 Million Bushels, Up 6 Percent From 1960-61

Based on the projected requirements for both soybean oil and meal, soybean crushings during the 1961-62 marketing year are forecast at 425 million bushels, up about 23 million bushels from a year ago. A bean crush of this size would produce about 4.6 billion pounds of crude soybean oil compared with 4.4 billion pounds last year, and 10.0 million tons of soybean meal compared with 9.4 million in 1960-61.

A factor limiting the 1961-62 season's crush will be the record carryover of soybean oil on October 1, 1961--placed at 62 million bushels (bean equivalent) compared with 28 million (bean equivalent) the same date in 1960. On the other hand, the Food for Peace Program will pick up momentum during 1961-62 (450 million pounds of edible oils scheduled so far for donation to needy abroad, of which 250 million has already been purchased) and this will stimulate crushings.

Table 2.--Food fats and oils: Supply and disposition, 1954-62

Item	Year beginning October								
								Forecast *	
	1954	1955	1956	1957	1958	1959	1960	1961	1962
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Stocks, October 1									
Soybeans--oil equivalent 1/	14	108	41	109	231	686	256	66	10/825
Butter	489	295	90	145	146	93	136	239	
Lard	50	75	123	69	46	93	92	100	
Cottonseed oil	896	361	254	146	154	190	217	170	
Soybean oil	127	179	227	286	281	298	308	677(9/775)	
Others 2/	45	51	66	49	56	60	78	67	
Total	1,608	962	760	694	3/ 683	734	830	1,253	
Imports	91	59	52	70	74	66	75	75	
Production									
Butter	1,532	1,563	1,527	1,502	1,414	1,435	1,500	1,550	
Lard	2,564	2,852	2,614	2,423	2,679	2,729	2,496	2,650	
Cottonseed oil 4/	1,723	1,893	1,629	1,420	1,589	1,832	1,784	1,850	
Soybean oil	2,711	3,143	3,431	3,800	4,251	4,338	4,412	4,600	
Other 2/ 4/	572	667	719	678	767	756	854	850	
Total fats and oils	9,101	10,118	9,920	9,823	10,700	11,090	11,046	11,500	
Soybean exports (oil equiv.)	666	741	937	939	1,209	1,552	1,430	1,925	
Total	9,767	10,859	10,857	10,762	11,909	12,642	12,476	13,425	
Total supply	11,466	11,880	11,669	11,526	12,666	13,442	13,381	9/14,753	
Exports 5/									
Butter	183	244	18	36	19	22	10	25	
Lard	587	719	590	461	608	716	500	500	
Cottonseed oil 4/	716	617	427	250	406	506	383	550	
Soybean oil	50	556	807	804	930	953	750	1,350	
Other 2/ 4/	33	50	62	19	34	43	55	75	
Adjustment 6/	124	52	61	85	117	88	100	100	
Total fats and oils	1,693	2,238	1,965	1,655	2,114	2,328	1,798	2,600	
Soybeans (oil equivalent)	666	741	937	939	1,209	1,552	1,430	1,925	
Total exports	2,359	2,979	2,903	2,593	3,323	3,880	3,228	4,525	
Domestic use									
Butter	1,543	1,526	1,458	1,467	1,449	1,373	1,400	1,425	
Lard 7/	1,959	2,065	2,039	1,994	2,024	2,013	2,000	2,150	
Cottonseed oil	1,543	1,384	1,310	1,195	1,147	1,300	1,450	1,325	
Soybean oil	2,609	2,539	2,565	3,051	3,304	3,376	3,300	3,500	
Other 2/	622	659	722	719	824	758	880	850	
Adjustment 6/	-124	-52	-61	-85	-117	-88	-100	-100	
Total 7/	8,152	8,121	8,033	8,341	8,631	8,732	8,930	9,150	
Total use for food 8/	7,840	7,871	7,886	8,145	8,390	8,446	8,700	8,825	
Per capita, civilian and military	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	
Butter (fat content)	7.5	7.3	6.9	6.8	6.6	6.2	6.3	6.2	
Other	38.3	37.9	37.7	38.5	39.4	39.4	40.0	40.0	
Total (fat content)	45.8	45.2	44.6	45.3	46.0	45.6	46.3	46.2	

1/ Not included in total stocks. 2/ Includes feed fats, peanut, corn olive and sesame oils. 3/ Adjusted to new Census basis which includes hygrogenated oils and stearin. 4/ Includes oil equivalent of oilseeds exported for crushing. 5/ Includes shipments. Butter, cottonseed oil and adjustments include quantities from CCC stocks that are not reported in Census data. 6/ Includes exports of processed food oils not classified by kind, shortening and other secondary fats. 7/ Adjusted for estimated changes in stocks on farm. 8/ Excludes food fats used for nonfood purposes but includes nonfood oils (mostly coconut babassu and palm-kernel) used in food. 9/ Adjusted to include unusually large stocks of cooking and salad oils which totaled 138 million pounds on October 1, 1961 compared with 41 million pounds a year earlier. 10/ Oil equivalent of 75 million bushels of soybeans.

*Except for stocks on October 1, 1961.

Totals computed from unrounded numbers.

Table 3.--Soybeans: Supply and disposition, crop years, 1953-62

Item	Year beginning October								Forecast	
	1953	1954	1955	1956	1957	1958	1959	1960 1/	1961 2/	1962
	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.
Supply										
Stocks, Oct. 1	10.1	1.3	9.9	3.7	9.9	21.1	62.1	23.2	6.0	75
Production	269.2	341.1	373.7	449.3	483.4	580.2	532.9	558.8	710.5	
Total supply	279.3	342.4	383.6	453.0	493.3	601.3	595.0	582.0	716.5	
Disposition										
Crushed	213.2	249.0	283.1	315.9	353.8	401.2	393.4	401.5	425	
Exports	39.7	60.6	67.5	85.4	85.5	110.1	141.4	130.0	175	
Seed and feed	22.9	23.4	26.1	26.2	29.4	27.2	29.1	31.4]	41	
Residual 3/	2.2	-.6	3.2	15.6	3.5	.7	7.9	13.1]		
Ending stocks										
Commercial	1.3	3.3	3.7	4.7	7.2	4.5	13.5	6.0	10	
Reseal	---	---	---	---	---	13.4	---	---	---	
CCC	3/	6.6	3/	5.2	13.9	44.2	9.7	---	65	
Total	1.3	9.9	3.7	9.9	21.1	62.1	23.2	6.0	75	
Price per bushel	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Support	2.56	2.22	2.04	2.15	2.09	2.09	1.85	1.85	2.30	
Received by farmers	2.72	2.46	2.22	2.18	2.07	2.00	1.96	4/2.21		

1/ Preliminary and partly estimated.
2/ Except stocks October 1, 1961. Production indicated October 1.
3/ Includes fed to livestock on farms other than where produced, direct use for food and statistical discrepancies.
4/ Preliminary

Table 4.--Soybeans: Yield, price and value of products per bushel of soybeans crushed, and price spread, 1947-60

Year beginning October	Oil			Meal			Total value	Soybean price		Spread between value of products and soybean price	
	Yield	Price 1/	Value	Yield	Price 1/	Value		Farm	No. 1 yellow Illinois points	Farm	No. 1 yellow Illinois points
	Pounds	Cents	Dollars	Pounds	Cents	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1947	9.5	23.7	2.25	46.4	4.04	1.87	4.12	3.33	3.66	.79	.46
1948	9.8	13.1	1.28	46.1	3.30	1.52	2.80	2.27	2.36	.53	.44
1949	9.9	12.3	1.22	47.0	3.22	1.51	2.73	2.16	2.52	.57	.21
1950	9.7	17.8	1.73	46.8	3.22	1.51	3.24	2.47	2.97	.77	.27
1951	10.0	11.3	1.13	46.7	4.17	1.95	3.08	2.73	2.97	.35	.11
1952	10.8	12.1	1.31	47.4	3.38	1.60	2.91	2.72	2.78	.19	.13
1953	11.0	13.5	1.48	47.4	3.93	1.86	3.34	2.72	3.26	.62	.08
1954	10.9	11.9	1.30	45.8	3.04	1.39	2.69	2.46	2.56	.23	.14
1955	11.1	12.5	1.39	46.2	2.63	1.21	2.60	2.22	2.51	.39	.10
1956	10.9	12.7	1.38	47.5	2.37	1.13	2.51	2.18	2.33	.33	.18
1957	10.7	10.8	1.16	46.8	2.67	1.25	2.41	2.07	2.19	.34	.22
1958	10.6	9.5	1.01	47.3	2.79	1.32	2.33	2.00	2.11	.33	.22
1959	11.0	8.3	.91	46.5	2.78	1.29	2.20	1.96	2.08	.24	.12
1960 2/	11.0	11.3	1.24	47.0	3.03	1.42	2.66	2.21	2.55	.45	.11

1/ Simple average price per pound using the following quotations: Soybean oil, crude, tank cars, f.o.b. midwest mills; soybean meal, bulk, Decatur, quoted as 41 percent prior to July 1950, 44 percent beginning July 1950.
2/ Preliminary.

Soybean crushings during the 1960-61 season which ended September 30 totaled 402 million bushels. Crushings in the past 3 marketing years have been relatively stable at around the 400-million-bushel mark. The 1960-61 crush was stimulated by the heavy domestic disappearance of soybean oil, the record feeding of soybean meal, and anticipated record exports of soybean oil, part of which did not materialize. Crushings to meet meal demand provided more oil than moved into domestic use and export and stocks of bean oil showed a steady buildup throughout the 1960-61 marketing year. This situation resulted in a very small carryover of 1960 crop soybeans (about 6 million bushels) on October 1, 1961, but a record carryover of soybean oil (placed at 677 million pounds (crude and refined) compared with 308 million pounds a year earlier). Furthermore, stocks of salad and cooking oils (which are largely soybean oil) were 138 million pounds this year compared with 41 million on October 1, 1960.

Domestic use of soybean oil is forecast at 3.5 billion pounds up slightly from the 1960-61 marketing year. The forecast assumes (1) total use of food fats will remain at about 46 pounds (fat content) per person; (2) supplies of lard will be up about 5 percent and most of this is expected to move into domestic consumption because of its prospective price advantage; (3) less cottonseed oil will be used domestically this year than last mainly because of its price premium and more moving abroad under government programs. On the basis of these assumptions, a bean crush of 425 million bushels would produce about 1.1 billion pounds in excess of domestic requirements. This excess is likely to move into export along with a portion of the current high stocks. Stocks of bean oil on September 30, 1962 probably will be down considerably. (See Edible Oil Export Outlook, page 21).

Domestic use of soybean meal in 1961-62 is expected to be somewhat greater than in 1960-61. Poultry requirements will remain high, hog population will be up slightly, more cattle are on feed, and feeding ratios should be favorable. Prices of livestock and livestock products are expected to average close to the levels of 1961 and this should maintain a high feeding rate of protein per animal unit. Another factor in the soybean meal outlook for 1961-62 includes the increasing domestic demand for livestock products because of rising population and consumer incomes. Also, larger supplies of soybean meal will be available for domestic feeding and prices probably will average slightly lower than in 1960-61.

Soybeans Exports Expected to Increase Sharply in 1961-62

Exports of soybeans during 1960-61 totaled about 130 million bushels compared with the record 141 million the previous year. Exports have become an increasingly important outlet for soybeans and soybean products. Over a third of the 1960 soybean crop was shipped abroad as beans and the equivalent of another 68 million bushels as soybean oil. The soybean equivalent of meal exports is much less than the soybean equivalent of soybean oil--in 1960-61 it totaled about 25 million bushels. Export demand for soybeans was strengthened by the scarcity of offerings from Red China. The domestic market outbid the export market for the limited supplies of U. S. beans. Also, foreign importers deferred buying during the summer in anticipation of lower prices for 1961 crop soybeans.

Japan, Germany, the Netherlands, and Canada, our major customers, took about 92 million bushels from the U. S. during 1960-61, about 71 percent of our total soybean exports.

With strong foreign demand for beans, exports are forecast at 175 million bushels, up 45 million from last year. The increase over last year is expected to go mainly to Japan and Western Europe. These major importing areas will continue to need large imports of U.S. oilseeds. Exportable supplies from Red China are likely to continue small and perhaps somewhat less copra will move in world trade. In addition there probably is increased buying this fall to compensate for the sharply reduced buying of this past summer. More African peanuts, however, are likely to be available. The consumption of soybean oil in Europe has been trending upward slowly and the European livestock economy continues to grow.

The market for U. S. soybeans in Japan has been expanding sharply, reflecting not only Japan's breaking off of trade relations with China, but also an upward trend in her consumption of soybeans and soybean products. Domestic production supplies only about one-fourth of Japan's annual requirements of 55 to 60 million bushels of soybeans. Hence, heavy imports are necessary. The U. S. has supplied over 95 percent of Japan's soybean imports in the last 2 years. Japan's removal of its import restrictions on U. S. soybeans, which became effective July 1961, should be reflected in a greater movement of U. S. beans to that country in 1961-62.

Foreign demand for U. S. soybeans is based about as much on the need for the protein they contain as for the oil. For example, soybeans in Japan, our leading customer, are used principally for making food products and provide an essential part of the protein in the Japanese diet. Demand for soybean meal for feed in Japan is growing rapidly.

Soybeans are crushed for oil in Western Europe, but as in the United States the value of the meal produced is about as great as the value of the oil. European demand for protein feed has increased sharply in recent years with the growth in the mixed feed industry. Also, rising consumer incomes have led to a greater demand for meat. U. S. soybeans are in a good competitive position because many foreign exporting countries restrict exports of oilseeds in favor of the oil or meal, while European countries have a large crushing capacity and prefer the raw material.

As usual, the biggest unknown in the outlook for U. S. exports is the probable level of competition from Communist China. Exports of soybeans from China in 1961-62 are expected to continue far below the 55 million bushel average of recent years, and not much change from the low level of 1960-61--only 10 million bushels of beans moved through the Suez Canal during October 1960-August 1961 compared with 33 million a year earlier.

Soybean Oil Prices in 1961-62 To Average About the Same As 1960-61; Record Bean Oil Carryover

Soybean oil prices (crude, Decatur) during the 1961-62 marketing year are expected to average about the same as the 11.3 cents per pound for 1960-61. The current price of bean oil is 10.8 cents per pound, about 1.0 cents above October 1960, and it is quite likely that prices later in the year will go moderately above this level. The wide swing in soybean oil prices which occurred during 1960-61 is not in prospect this year, mainly because of increased supplies of soybeans (which means less competition for beans for crushing), a more stable soybean price pegged to the higher support rate, and the current record high inventory of soybean oil. The price outlook reflects the sharp increase in the output of these fats and the higher support.

Last season bean oil prices (crude, Decatur) rose from the monthly average of 9.4 cents per pound in October 1960 to a seasonal peak of 13.3 cents per pound in April 1961, then declined steadily to 10.5 cents in September. Bean oil prices for the entire 1960-61 marketing year averaged 11.3 cents per pound, 36 percent above the 8.3 cents per pound the previous year.

Soybean Meal Supply To Be Up Slightly in 1961-62; Exports Expected To Rise

Soybean meal supply in the 1961-62 marketing year, which began October 1, is expected to total around 10.1 million tons compared with 9.5 million for 1960-61. Soybean meal output, based on a bean crush of 425 million bushels, would be about 5 percent greater than in 1960-61; carryover stocks were comparatively small. (Note: Soybean meal does not store particularly well whereas soybeans and soybean oil are storable commodities.)

Exports of soybean meal in 1961-62 are expected to increase somewhat from last year's 600,000 ton level and probably will not differ much from the 1959-60 record of 652,300 tons. The export demand for oilseed cakes and meal is on the uptrend even though many importing areas, particularly Western Europe, are expected to import raw materials (soybeans) for processing rather than products (oil and meal).

Other factors in the meal outlook include the continued upward trend in the production and demand for animal products in the major importing countries, continued development of the mixed feed industry, which will particularly benefit soybean meal, continued improvement in feeding practices, and slightly lower U. S. soybean meal prices. Poultry numbers are continuing to increase in Western Europe with an especially good demand for broilers and turkeys.

Allowing for about the same carryover of soybean meal on October 1, 1962, as on that date this year and for increased exports, the quantity of soybean meal available for feeding 1961-62 would total around 9.4 million tons, up slightly from the last feeding year. (See table 11, page 18).

Table 5.--Soybeans: Crushings and yields of oil and meal per bushel crushed exports and price, by months crop years 1950-60

Year beginning October	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Year
	Crushings												
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1950	19.6	22.8	24.7	25.1	22.5	24.8	22.0	21.3	17.9	17.8	18.8	14.8	252.0
1951	21.6	23.1	23.3	24.0	22.5	21.5	20.1	19.7	18.6	17.5	17.5	15.0	244.4
1952	22.5	22.0	21.4	21.6	18.7	20.4	19.2	20.7	17.3	16.3	18.7	15.7	234.4
1953	21.3	20.3	20.8	20.8	18.9	19.3	17.6	17.5	15.4	15.4	14.8	11.1	213.2
1954	21.7	22.2	21.2	21.5	19.8	19.5	20.0	21.0	22.1	21.3	19.9	18.7	249.0
1955	25.4	25.4	23.9	24.4	24.5	25.4	25.3	24.6	22.2	20.4	21.8	19.9	283.1
1956	27.9	26.6	27.0	28.4	26.6	28.9	27.3	26.5	24.7	24.4	25.4	22.2	315.9
1957	28.1	29.2	28.4	31.1	27.1	30.8	31.5	32.2	28.7	30.0	31.6	25.1	353.8
1958	33.5	33.5	34.4	36.7	34.0	36.0	34.6	36.4	33.2	31.9	29.6	27.5	401.2
1959	35.3	36.1	34.1	34.1	30.9	34.8	33.2	33.2	31.3	31.4	32.1	26.9	393.4
1960 1/	35.6	37.1	38.1	38.3	34.6	34.8	33.0	34.3	31.9	31.0	30.0	23.0	401.5
	Yield of oil per bu. crushed												
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1950	9.7	9.5	9.5	9.6	9.6	9.7	9.7	9.8	9.9	9.9	10.0	10.1	9.7
1951	10.0	9.8	9.6	9.7	9.9	10.1	10.1	10.1	10.2	10.2	10.2	10.4	10.0
1952	10.6	10.5	10.6	10.7	10.7	10.9	10.8	10.9	11.0	11.0	11.2	11.1	10.8
1953	10.8	10.8	10.9	11.0	11.1	11.1	11.0	11.0	11.1	11.3	11.2	11.2	11.0
1954	10.9	10.8	10.8	10.8	10.8	10.8	10.9	10.9	11.0	11.0	11.0	11.0	10.9
1955	11.0	10.9	11.0	11.0	11.1	11.1	11.1	11.1	11.2	11.2	11.4	11.1	11.1
1956	10.8	10.7	10.7	10.7	10.8	10.8	10.9	10.9	11.0	11.0	10.9	11.0	10.9
1957	10.9	10.7	10.6	10.6	10.7	10.7	10.7	10.8	10.8	10.9	10.8	10.8	10.7
1958	10.5	10.5	10.4	10.5	10.5	10.6	10.6	10.6	10.7	10.8	10.8	10.8	10.6
1959	11.1	10.9	11.0	10.9	10.9	10.9	11.1	11.0	11.1	11.2	11.2	11.1	11.0
1960 1/	11.0	10.9	10.9	10.9	10.9	11.0	11.0	11.0	11.1	11.1	11.1	11.0	11.0
	Yield of meal per bu. crushed												
1950	46.3	47.0	46.7	47.0	47.1	46.9	46.7	46.9	46.7	46.4	46.9	46.8	46.8
1951	46.4	46.5	46.7	46.9	46.8	45.9	46.4	46.5	46.7	46.8	47.7	46.9	46.7
1952	47.9	47.1	47.4	47.0	47.4	47.5	47.5	47.3	46.8	47.4	47.6	47.3	47.4
1953	47.5	47.5	47.6	47.4	46.5	47.4	47.7	47.5	47.2	47.9	47.9	46.3	47.4
1954	46.0	45.7	45.8	45.7	45.6	45.5	45.6	45.7	46.1	46.2	46.1	45.9	45.8
1955	45.7	46.0	45.4	46.4	45.9	46.1	46.2	46.4	46.5	46.6	47.1	46.2	46.2
1956	47.1	47.5	47.7	47.5	47.3	47.6	47.6	48.1	48.0	47.9	47.6	46.5	47.5
1957	46.4	46.7	46.7	46.7	46.4	46.6	46.9	47.1	46.6	47.7	46.8	47.2	46.8
1958	46.9	47.1	47.5	47.6	47.1	47.5	47.2	47.1	47.5	47.7	48.1	47.1	47.3
1959	46.5	46.5	46.7	46.4	46.2	46.0	46.4	46.3	46.8	46.7	46.9	46.8	46.5
1960 1/	46.7	47.0	47.1	47.2	46.9	47.0	46.9	46.6	47.1	47.3	47.1	47.3	47.0
	Exports												
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1950	.6	4.3	5.6	1.8	1.8	2.4	3.3	4.4	1.8	1.3	.3	.1	27.8
1951	1.2	3.5	2.6	1.1	2.4	.8	1.5	.6	.7	.9	1.5	.3	17.0
1952	2.7	6.1	5.0	3.5	2.3	1.7	1.8	2.7	1.8	1.8	1.3	1.1	31.9
1953	5.8	10.1	7.7	3.7	2.5	1.7	3.2	1.6	1.0	1.0	.7	.7	39.7
1954	6.4	12.5	8.6	5.3	3.8	3.2	2.8	3.3	2.7	4.4	3.5	4.0	60.6
1955	8.8	13.2	12.7	6.8	2.6	1.9	5.1	4.3	3.7	3.7	1.7	2.9	67.5
1956	10.2	10.5	15.9	7.8	4.2	5.4	5.7	5.1	3.5	4.6	7.8	4.5	85.4
1957	9.9	15.6	13.7	7.2	3.9	3.8	5.1	6.6	5.1	6.4	6.5	1.6	85.5
1958	12.1	15.8	10.2	9.3	8.4	5.0	9.4	9.2	8.9	9.9	5.2	6.7	110.1
1959	12.1	20.4	18.1	10.3	7.7	7.2	8.1	14.4	11.8	9.2	13.9	8.2	141.4
1960 1/	14.1	22.7	20.6	9.1	10.2	8.5	7.7	11.4	7.7	7.7	7.0		
	Average price per bu. received by farmers, United States, 2/												
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
1950	2.03	2.54	2.70	2.90	3.08	3.10	3.12	3.13	2.98	2.86	2.71	2.59	2.47
1951	2.62	2.77	2.83	2.78	2.78	2.76	2.72	2.77	3.02	3.00	3.05	2.83	2.73
1952	2.71	2.71	2.75	2.69	2.63	2.81	2.81	2.78	2.66	2.44	2.40	2.33	2.72
1953	2.41	2.60	2.81	2.83	2.97	3.22	3.52	3.55	3.49	3.47	3.23	2.51	2.72
1954	2.54	2.57	2.57	2.58	2.61	2.54	2.42	2.36	2.32	2.23	2.20	2.00	2.46
1955	2.08	2.06	2.11	2.19	2.25	2.38	2.63	2.98	2.87	2.47	2.33	2.07	2.22
1956	2.07	2.27	2.27	2.31	2.25	2.26	2.24	2.23	2.18	2.24	2.27	2.13	2.18
1957	2.04	2.04	2.06	2.05	2.05	2.10	2.16	2.13	2.13	2.11	2.11	1.98	2.07
1958	1.93	1.89	1.97	2.02	2.05	2.07	2.10	2.13	2.09	2.05	1.98	1.90	2.00
1959	1.93	2.00	1.98	2.01	1.99	1.99	2.02	2.00	1.97	1.97	1.99	1.97	1.96
1960	1.94	1.96	1.99	2.23	2.48	2.68	3.02	2.96	2.60	2.48	2.49	2.24	2.21

1/ Preliminary.

2/ Season average price includes an allowance for unredeemed loans and purchase agreement deliveries by States.

Table 6.--Soybean oil: Supply, disposition and price,by months, crop years 1950-60

Year beginning October	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Total
	Production												
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	191	216	236	241	216	241	212	210	177	177	188	149	2,454
1951	215	225	222	234	222	218	204	199	190	179	179	156	2,444
1952	238	231	227	231	200	222	208	226	190	180	209	174	2,536
1953	230	219	226	228	209	213	195	193	172	173	166	125	2,350
1954	236	240	228	231	214	211	218	229	244	236	219	206	2,711
1955	280	277	262	270	271	281	281	273	249	228	249	221	3,143
1956	302	285	290	305	287	313	298	290	272	269	277	244	3,431
1957	307	313	300	328	289	330	336	347	311	328	341	270	3,800
1958	353	351	360	386	355	381	366	386	355	344	319	297	4,251
1959	391	393	372	373	338	381	368	366	349	350	358	298	4,338
1960 1/	391	404	414	419	378	381	363	377	353	345	334	253	4,412
	Stocks, first of month												
1950	113	117	132	154	179	202	227	256	244	221	212	193	
1951	171	196	238	281	328	344	354	354	324	296	297	261	
1952	194	200	213	237	253	245	257	261	292	273	270	243	
1953	174	150	163	208	242	233	239	241	231	211	211	196	
1954	127	146	157	176	198	201	176	170	159	150	186	192	
1955	179	180	217	218	219	209	213	282	297	296	288	255	
1956	227	210	209	233	238	230	248	270	298	279	317	313	
1957	286	305	374	406	376	360	407	442	393	343	364	337	
1958	281	193	236	324	380	452	476	509	508	473	464	384	
1959	298	321	422	507	551	541	586	596	564	423	450	312	
1960 1/	308	366	446	466	517	537	625	676	710	762	773	766	
	Exports												
1950	21	18	48	23	17	33	46	47	79	60	52	48	490
1951	30	34	37	18	28	25	15	24	10	14	25	11	271
1952	13	23	17	3	1	5	2	4	4	7	8	7	93
1953	2	4	3	3	19	31	2	3	1	1	2	1	71
1954	5	4	4	3	2	4	3	4	3	6	10	2	50
1955	12	31	55	47	45	43	32	48	41	58	70	76	556
1956	82	39	100	92	88	129	73	60	62	34	20	27	807
1957	38	12	48	53	15	55	34	194	96	64	91	104	804
1958	76	20	70	88	10	49	57	112	53	155	103	135	930
1959	32	60	33	31	56	52	100	110	171	81	196	30	953
1960 1/	42	78	111	75	44	14	61	22	84	63	74		
	Domestic disappearance												
1950	166	183	166	193	176	183	138	174	122	126	155	123	1,906
1951	159	150	142	170	179	182	189	205	208	165	190	211	2,150
1952	220	195	185	212	208	205	202	192	205	176	227	236	2,462
1953	252	203	178	191	199	176	192	200	190	173	179	193	2,326
1954	212	224	204	205	209	232	220	237	250	193	204	217	2,609
1955	267	209	206	222	236	236	180	210	208	179	213	174	2,539
1956	236	247	166	208	207	166	203	202	229	197	260	244	2,565
1957	249	232	221	305	290	227	267	202	265	243	277	272	3,051
1958	314	288	201	241	273	308	275	275	338	197	296	248	3,304
1959	336	231	254	298	292	284	258	288	319	242	302	272	3,376
1960 1/	291	247	283	292	314	280	250	321	217	271	268		
	Price per pound, crude, tank cars, f.o.b. midwest mills												
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1950	14.6	17.1	19.6	20.6	21.1	20.5	20.5	19.5	16.4	14.5	15.4	14.0	17.8
1951	13.8	13.2	12.6	11.2	10.7	10.2	9.1	10.1	11.2	11.3	11.5	11.2	11.3
1952	10.9	11.8	12.9	12.7	12.6	13.5	13.7	12.3	11.5	10.3	10.8	11.7	12.1
1953	13.3	13.6	12.6	12.1	12.5	13.3	14.1	13.9	14.2	14.1	14.8	13.5	13.5
1954	12.1	12.2	12.5	12.2	12.2	11.8	11.6	12.2	12.6	11.6	11.3	10.6	11.9
1955	10.9	11.0	10.9	11.7	12.8	14.3	14.9	15.3	13.6	12.5	11.4	11.3	12.5
1956	12.5	13.6	14.1	14.4	14.0	13.1	12.4	11.7	11.7	11.9	11.4	11.3	12.7
1957	11.3	11.6	11.4	11.5	11.4	11.0	11.0	11.0	10.2	9.9	10.0	9.8	10.8
1958	10.2	10.4	9.5	9.5	9.3	9.3	9.3	9.4	9.5	9.2	9.3	9.1	9.5
1959	8.6	8.0	7.8	7.8	7.6	7.6	8.0	8.2	8.7	9.0	9.5	9.2	8.3
1960	9.4	10.2	10.0	10.9	12.2	13.0	13.3	12.7	11.6	10.9	10.9	10.5	11.3

1/ Preliminary.

Totals computed from unrounded numbers.

Table 7.-Soybean cake and meal: Supply, disposition and price, by months, crop years 1950-60

Year beginning October	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Year
	Production												
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
1950	453.3	536.1	576.0	590.4	529.3	580.8	512.3	499.9	418.3	413.4	441.9	345.0	5,896.7
1951	500.4	536.5	542.3	563.8	525.0	494.7	467.2	457.9	435.1	410.8	418.6	351.4	5,703.7
1952	539.5	518.6	506.7	506.5	442.7	485.5	456.1	488.6	404.2	387.6	445.0	370.3	5,551.3
1953	505.1	481.6	494.3	492.7	438.4	456.7	420.7	416.3	364.5	368.1	354.5	257.7	5,050.6
1954	499.6	507.3	484.6	491.3	450.5	444.3	456.2	480.0	509.4	493.5	458.6	429.5	5,704.8
1955	580.0	583.6	548.7	567.0	563.2	584.4	583.6	570.2	517.3	475.3	513.0	459.5	6,545.8
1956	657.1	631.4	643.8	674.9	630.0	688.8	650.0	636.1	592.8	583.0	604.2	517.5	7,509.6
1957	652.3	683.2	663.3	725.9	628.1	718.4	737.8	759.2	669.6	714.7	740.5	591.3	8,284.3
1958	785.0	779.3	810.0	872.6	800.0	855.4	816.3	862.3	788.3	761.5	712.2	647.2	9,490.1
1959	822.5	838.6	795.1	791.9	714.9	800.1	771.2	769.2	733.8	733.4	752.5	629.2	9,152.4
1960 1/	831.9	871.3	896.7	904.9	809.6	817.2	773.8	798.5	749.5	732.1	707.8	542.6	9,435.9
	Stocks, first of month												
1950	35.2	41.2	54.6	72.4	92.7	104.4	141.2	172.3	180.0	148.8	108.7	68.5	
1951	35.5	27.1	30.5	34.1	32.7	46.7	54.0	57.0	59.0	57.8	71.3	63.7	
1952	51.5	60.5	78.1	89.2	109.2	139.4	154.2	167.3	172.8	168.7	118.4	102.3	
1953	56.8	56.8	78.1	104.8	128.6	162.5	170.7	182.2	177.4	166.9	175.2	150.7	
1954	61.6	58.3	47.9	47.1	59.5	91.0	100.4	113.4	100.8	99.4	98.3	69.2	
1955	37.2	49.0	59.8	66.4	99.9	137.5	178.0	201.5	212.8	217.9	182.7	145.8	
1956	111.3	57.2	51.5	65.4	58.3	88.9	136.9	162.0	163.2	157.1	129.0	93.6	
1957	54.7	58.6	88.1	75.7	78.7	73.4	81.7	74.5	104.7	82.3	61.3	84.6	
1958	48.1	65.0	81.3	55.3	68.2	87.7	96.7	104.5	155.9	159.1	121.7	101.6	
1959	58.5	76.8	79.2	66.3	99.2	98.3	89.7	128.6	138.5	116.2	130.4	94.7	
1960 1/	82.8	97.1	116.1	106.1	133.9	168.6	186.1	225.2	222.9	204.0	210.7	179.8	
	Exports												
1950	2.9	3.3	2.2	4.8	32.6	83.7	22.3	3.8	11.8	3.3	5.8	4.6	181.1
1951	3.3	9.3	10.5	3.5	3.8	3.9	1.9	1.6	1.6	.7	1.2	.5	41.8
1952	1.5	2.0	1.6	2.0	1.9	1.5	2.7	6.4	2.8	4.3	9.8	10.3	46.8
1953	9.3	14.1	12.1	4.0	5.1	5.1	3.6	3.8	2.4	1.4	2.1	3.5	66.5
1954	33.0	51.2	25.6	27.4	9.7	13.3	6.9	7.7	15.7	30.3	23.0	27.9	271.7
1955	31.4	45.3	64.8	35.6	42.0	28.9	29.9	22.5	19.7	19.8	29.0	31.5	400.4
1956	57.9	55.4	64.1	49.5	31.7	33.3	20.2	20.5	34.1	29.0	24.4	23.1	443.2
1957	27.9	37.7	28.8	38.5	20.9	25.9	16.0	20.3	25.1	18.0	17.4	23.5	300.0
1958	27.4	64.	54.5	55.8	41.6	46.4	43.0	26.4	38.0	38.7	36.5	39.5	512.2
1959	57.1	76.9	122.0	62.8	54.4	38.9	29.8	37.8	44.5	31.9	48.4	47.8	652.3
1960 1/	52.1	65.0	66.6	64.8	39.7	51.5	21.0	42.1	68.9	45.9	42.2		
	Domestic disappearance												
1950	446.7	522.8	560.3	569.1	489.0	464.5	462.1	490.4	440.7	451.8	477.0	373.7	5,748.1
1951	506.6	524.3	529.0	563.6	508.1	484.7	463.3	457.0	437.3	399.5	429.1	367.5	5,670.0
1952	534.3	506.2	502.1	489.0	414.8	475.0	443.9	477.9	406.3	433.8	451.4	405.6	5,540.3
1953	495.8	446.2	455.6	465.7	403.3	444.4	406.5	419.2	376.3	359.8	378.0	344.1	4,994.9
1954	469.9	466.5	459.8	451.5	409.3	421.6	436.3	484.9	495.1	464.3	464.7	433.6	5,457.5
1955	536.8	527.5	477.3	497.9	483.6	515.0	530.2	536.4	492.5	490.7	520.9	462.5	6,071.3
1956	653.3	581.7	565.8	632.5	567.7	607.5	604.8	614.4	564.8	582.1	615.2	533.3	7,123.1
1957	620.5	616.0	646.9	684.4	612.5	684.2	730.4	708.7	666.9	717.7	699.8	604.3	7,992.3
1958	740.7	701.5	781.1	801.4	738.9	800.0	765.5	784.5	747.1	760.2	695.8	650.8	8,967.5
1959	747.1	759.3	686.0	696.2	661.4	769.8	702.5	721.5	711.7	687.3	739.8	593.3	8,475.9
1960 1/	765.5	787.3	840.1	812.3	735.2	748.2	713.7	758.7	699.5	679.5	696.5		
	Price per ton, bulk, Decatur												
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
1950	54.05	61.45	64.70	63.90	69.25	67.00	62.00	63.40	64.40	68.80	64.60	69.75	64.45
1951	74.00	74.00	74.00	74.00	74.00	74.00	83 90	88.60	93.25	93.10	103.60	93.50	83.35
1952	81.10	74.75	71.90	67.90	64.90	66.40	64.40	66.75	65.90	65.25	62.00	59.60	67.55
1953	57.25	59.40	71.60	73.75	77.10	84.50	95.95	89.40	87.40	92.40	87.60	67.25	78.65
1954	65.25	67.70	68.25	67.10	65.60	61.50	59.20	53.40	52.10	53.90	54.30	60.10	60.70
1955	56.00	49.00	50.25	51.00	49.40	47.40	53.00	60.05	60.75	54.80	52.10	46.90	52.55
1956	45.70	47.40	46.95	49.90	46.90	46.75	45.50	45.40	44.25	46.60	52.90	51.00	47.45
1957	46.60	45.00	43.90	43.75	46.90	54.25	59.50	55.60	56.75	68.60	60.25	59.70	53.40
1958	50.60	54.75	60.90	63.25	54.75	55.10	55.90	55.40	54.80	58.50	54.25	51.70	55.80
1959	56.60	58.50	58.70	61.50	57.50	55.85	56.50	54.20	52.50	50.75	50.30	53.75	55.55
1960 1/	48.95	44.50	51.25	55.20	61.50	64.45	73.10	71.00	63.85	65.00	68.90	59.60	60.60

1/ Preliminary. Totals computed from unrounded numbers.

Last season soybean meal prices (bulk, Decatur) averaged $60.60 per ton, about $5.00 more than the 1959-60 average price of $55.55. They rose sharply from $44.50 per ton in November 1960 to a seasonal peak of $73.10 in April 1961, then declined to $59.60 in September. The sharp advance in meal prices resulted from a similar rise in the price of soybeans coupled with the strong domestic and export demand for this oilmeal.

During the 1961-62 feeding year, soybean meal prices are expected to be more stable than in 1960-61, probably averaging slightly lower than the $60.60 per ton last year. Prices of soybean meal (bulk, Decatur) in late October 1961 were quoted at $57 per ton, about $8 above a year ago. This early season strength in prices reflects (1) lateness of the 1961 soybean crop; (2) small carryover of soybean meal on October 1, 1961; (3) a sharp reduction in output in September and early October; (4) a strong domestic and export demand for the reduced supply.

Feeding of high protein feeds will be heavy this fall and winter and more protein feeds will be available. Expected increases in livestock production and little overall change in prices to producers of livestock products will encourage a high feeding rate per animal unit. More cattle will be on feed, and broiler output is expected to continue high.

1961 Cottonseed Crop Virtually The Same as 1960

Based on October 1 indications for cotton, the 1961 cottonseed crop is placed at 5,942,000 tons compared with 5,886,000 tons in 1960. Cotton acreage for harvest this year at 15,652,000 acres is up 2 percent from last season but yield per acre is down. Abandonment at 5.5 percent, including removal for compliance, compares with 4.8 percent in 1960 and is the largest since 1956. The indicated 1961 cotton yield per acre is 440 pounds compared with 446 pounds in 1960 and the record high of 466 pounds in 1958. Prospective yields per acre are higher than last year in the far-western States but are below last season in most other States.

The 1961 cottonseed crop is late. Only about 39.2 percent of the cotton crop was ginned to October 18. This was the smallest percentage for that date since 1957 and compares with 43.0 percent in 1960 and the 1950-59 average of 51.5 percent.

Prices to farmers for 1961 crop cottonseed are being supported by loans on farm-stored seed at an average of $49.00 per ton, basis grade (100). The program provides for purchases from producers at an average price of $45.00 per ton, basis grade (100). These prices are $11.00 per ton more than in the previous year.

On August 8, 1961, the USDA announced terms and conditions under which purchases of cottonseed oil would be made from mills in carrying out the 1961 price support program to ginners and in turn cottonseed producers. On September 27, USDA announced that any cottonseed oil acquired under the price

Table 8.--Soybeans: Acreage, yield and production by States, crop years 1958-61

State	Acreage harvested				Yield per acre harvested				Production			
	1958	1959	1960	1961	1958	1959	1960	1961	1958	1959	1960	1961 1/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bu.	Bu.	Bu.	Bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Illinois	5,066	4,796	4,973	5,508	28.0	26.0	26.0	29.0	141.8	124.7	129.3	159.7
Minnesota	3,082	2,224	2,090	2,320	17.5	19.0	20.0	23.0	53.9	42.3	41.8	53.4
Indiana	2,247	2,292	2,415	2,841	27.0	26.0	27.0	29.0	60.7	59.6	65.2	82.4
Iowa	3,116	2,367	2,599	3,518	25.5	26.5	26.0	29.0	79.5	62.8	67.6	102.0
Missouri	2,132	2,270	2,344	2,526	26.0	22.0	21.5	26.0	55.4	49.9	50.4	65.7
Ohio	1,429	1,455	1,514	1,696	26.0	25.0	25.0	28.0	37.2	36.4	37.8	47.5
Arkansas	2,041	2,348	2,409	2,578	23.5	23.0	21.0	23.0	48.0	54.0	50.6	59.3
Mississippi	876	964	916	1,092	23.0	22.5	22.5	25.0	20.1	21.7	20.6	27.3
Other States	4,004	3,915	4,379	5,021	20.9	20.8	21.8	22.5	83.6	81.5	95.5	113.2
United States	23,993	22,631	23,639	27,100	24.2	23.5	23.6	26.2	580.2	532.9	558.8	710.5

1/ October 1 indications.

Table 9.--Soybeans: Price received by farmers and value of production and sales, by States, crop years 1958-60

State	Season average price received by farmers per bushel			Value of production			Value of sales		
	1958	1959	1960	1958	1959	1960	1958	1959	1960
	Dol.	Dol.	Dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Illinois	2.06	2.01	2.32	292.2	250.6	300.0	283.7	243.4	290.4
Minnesota	1.98	1.91	2.29	106.8	79.6	95.7	102.4	76.0	91.0
Indiana	1.99	1.98	2.24	121.9	119.0	147.4	118.1	114.9	142.6
Iowa	2.02	1.91	2.27	160.5	119.9	146.3	156.9	115.9	140.8
Missouri	1.98	1.95	2.15	109.8	97.4	108.4	106.4	94.2	104.5
Ohio	2.02	1.97	2.25	75.7	72.5	86.3	72.8	69.5	82.7
Arkansas	1.95	1.98	2.13	96.8	112.4	114.2	93.9	109.8	111.4
Mississippi	1.95	1.96	2.07	35.9	40.7	42.3	34.5	39.2	40.7
Other States	1/1.94	1/1.92	1/2.07	159.5	155.0	196.2	152.9	148.2	188.3
United States	2.00	1.96	2.21	1,159.1	1,047.1	1,236.8	1,121.6	1,011.1	1,192.4

1/ Simple average.

Table 10.--High-protein feeds: Quantity fed per animal unit, United States, average 1955-59 annual 1954-61

Item	Unit	Year beginning October								
		Average 1955-59	1954	1955	1956	1957	1958	1959	1960 1/	1961 2/
Total protein feed (soybean meal equivalent 3/	1,000 tons	13,955	11,639	12,632	13,268	13,881	15,174	14,820	15,451	16,002
Protein-consuming animal units 4/	Million	103.5	101.7	103.9	102.3	101.8	104.9	104.5	105.9	107.4
Quantity per animal unit	Pounds	270	229	243	259	273	289	284	292	298

1/ Preliminary. 2/ Preliminary estimates based on indications in October. 3/ In terms of soybean meal equivalent (44 percent protein content). 4/ High-protein feed-consuming livestock. Based on animal units of grain-consuming livestock, excluding horses and mules, adjusted for importance of high-protein feeds in total concentrates fed.

The conversion factors for computing soybean meal equivalent and protein-consuming animal units, are given in the Grain and Feed Statistics March, 1961.

Table 11.--Oilseed cake and meal : Supply and distribution, United States, year beginning October, 1959-61

Oilseed cake and meal	Supply				Distribution			
	Stocks (Oct. 1) 1/	Production	Imports	Total	Feed	Other uses 2/	Exports	Stocks (Sept. 30) 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
1959-60								
Soybean	58	9,152	3/	9,210	8,445	30	652	83
Cottonseed	97	2,508	32	2,637	2,330	30	140	137
Linseed	33	361	2	396	304	---	63	29
Peanut	2	60	---	62	60	---	---	2
Copra	4/	131	8	139	133	---	---	6
Total	190	12,212	42	12,444	11,272	60	855	257
1960-61 5/								
Soybean	83	9,436	0	9,519	8,811	30	600	78
Cottonseed	137	2,465	45	2,647	2,494	30	50	73
Linseed	29	399	2	430	378	--	30	22
Peanut	2	75	---	77	76	--	--	1
Copra	6	139	20	165	163	--	--	2
Total	257	12,514	67	12,838	11,922	60	680	176
1961-62 6/								
Soybean	78	10,000	0	10,078	9,400			
Cottonseed	73	2,550	30	2,653	2,500			
Linseed	22	375	-5	402	350			
Peanut	1	75	--	76	75			
Copra	2	135	20	157	155			
Total	176	13,135	55	13,366	12,480			

1/ Stocks at processors' plants. 2/ Estimated quantities of soybean meal used for industrial purposes and cottonseed meal used for fertilizer on farms of cotton growers. 3/ Less than 500 tons. 4/ Not reported. 5/ Preliminary. 6/ Forecast except for stocks on October 1, 1961.

support program will not be sold in commercial channels at less than the higher of (1) the market prices for similar cottonseed oils at the time and place of sales, or (2) 105 percent of the average investment cost to CCC, calculated monthly, for all cottonseed oil delivered under the program up to that time. This policy will remain in effect until September 30, 1962.

The 1961 season average farm price received for cottonseed probably will average slightly above the CCC purchase price of $45.00 per ton, basis grade (100), about 6 percent more than that received for the 1960 crop.

Total supplies of cottonseed in 1961-62 (carryover stocks on August 1, 1961, plus production) are placed at 6,130,000 tons, up a shade from last season. Assuming about 92 percent of the crop will move to oil mills for crushing, the total crush for the 1961-62 season probably will be around 5,450,000 tons compared with 5,352,300 tons the year before (table 12). A crush this size will produce around 1,850 million pounds of crude cotton oil and about 2,550,000 tons of cake and meal.

Cotton Oil Prices in 1961-62 Probably Will Average Slightly Higher than Last Year

Cottonseed oil prices (crude, Valley) during the 1960-61 season averaged 11.6 cents per pound, 1.6 cents more than the preceding year. Oil prices increased sharply from 9.3 cents per pound in September 1960 to a seasonal peak of 14.1 cents in April 1961, reflecting the strong domestic demand for this oil. Prices then declined slightly and in July averaged 13.3 cents per pound with the approach of the 1961 cotton harvesting season.

The price premium of crude cotton oil (S.E.mills) over bean oil (Decatur) remained rather small through 1960-61, averaging 0.8 cents per pound during October-July compared with 1.7 cents the previous year. This is the main reason for the big pickup in domestic use of cotton oil during 1960-61. The price differential between the two oils is expected to continue narrow this fall as the 1961 cottonseed crop moves to market in volume and the crushings and supplies of both oils are seasonally high.

Cottonseed oil prices since August 1, the beginning of the 1961-62 marketing year, have declined somewhat from 13.4 cents per pound. By late October, prices were 12.0 cents per pound, about 2.5 cents above a year ago. Prices during the heavy October-December 1961 production months are likely to average well above the 10.0 cents per pound that prevailed during these same months last year, mainly reflecting higher cottonseed prices to farmers. Cotton oil prices later in the marketing year are likely to show some seasonal price increase, as usual, and the average price for the entire 1961-62 season is likely to average slightly higher than the 11.6 cents per pound (crude, Valley) in 1960-61.

Table 12.--Cottonseed: Supply, distribution and farm price, 1947-61

Year beginning August	Supply			Distribution				Price per ton	
	Production	Stocks at mills, August 1	Total supply	Exports	Crushed	Seed	Residual 1/	Season average received by farmers	Support 2/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Dol.	Dol.
1947	4,682	100	4,782	5	4,082	315	291	85.90	---
1948	5,945	89	6,034	6	5,332	384	180	67.20	---
1949	6,559	132	6,691	11	5,712	279	401	43.40	46.50
1950	4,105	288	4,394	6	3,723	419	180	86.60	47.00
1951	6,286	66	6,352	11	5,476	415	313	69.30	61.50
1952	6,190	137	6,327	13	5,563	406	190	69.60	62.40
1953	6,748	155	6,903	15	6,256	346	57	52.70	50.50
1954	5,709	229	5,938	21	5,249	263	196	60.30	50.00
1955	6,043	209	6,252	16	5,588	266	205	44.60	42.00
1956	5,407	177	5,584	11	4,959	222	228	53.40	44.00
1957	4,609	164	4,773	6	4,247	188	157	51.10	42.00
1958	4,798	175	4,973	4	4,439	244	186	43.80	41.00
1959	5,991	100	6,091	8	5,491	238	249	38.80	34.00
1960 3/	5,886	105	5,991	5	5,352	4/	446	42.50	34.00
1961 5/	5,942	188	6,130	8	5,450	4/	497		45.00
1962		175							

1/ Includes feed, fertilizer, and loss.
2/ Purchase price, basis grade except 1949 which is average grade.
3/ Preliminary.
4/ Not available, included in residual.
5/ Preliminary. Distribution and stocks August 1, 1962 are forecast. Production indicated October 1 if the ratio of lint to cottonseed is the same as the average for the past five years.

Table 13.--Cottonseed oil: Supply and disposition and oil equivalent of exports of cottonseed, 1947-61

Year beginning August	Supply				Disposition		Cottonseed (oil equivalent of exports)
	Production	Imports	Stocks August 1	Total	Exports	Domestic disappearance	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	1,276	4	186	1,466	33	1,313	2
1948	1,704	1/	120	1,824	82	1,558	2
1949	1,847	---	185	2,032	147	1,670	3
1950	1,197	---	215	1,412	61	1,184	2
1951	1,751	---	167	1,918	120	1,396	3
1952	1,823	1/	402	2,225	55	1,200	4
1953	2,068	---	971	3,039	351	1,692	5
1954	1,735	---	996	2,731	684	1,650	7
1955	1,894	---	398	2,292	634	1,375	5
1956	1,685	---	284	1,966	434	1,333	4
1957	1,436	---	202	1,638	286	1,184	2
1958	1,518	---	168	1,686	342	1,132	1
1959	1,861	---	212	2,073	522	1,265	3
1960 2/	1,808	---	286	2,094	376	1,468	2
1961 3/	1,850	---	250	2,100	550	1,325	2

1/ Less than 500,000 pounds. 2/ Preliminary. 3/ Forecast except stocks August 1.
Totals computed from unrounded numbers.

The 1961-62 cottonseed oil seasonal variation, however, should be mild compared with the sharp fluctuations witnessed in 1960-61. The outlook indicates that cotton oil prices this fall will average well above last fall but next spring prices likely will average well below the spring of 1961. Dominant factors in the price outlook for cottonseed oil during 1961-62 are (1) lateness of the 1961 cottonseed crop; (2) increased export movement of cottonseed oil under government programs; (3) larger supplies of competitive lard and soybean oil in the U.S.; (4) a good domestic demand for cotton oil although not as strong as last year, and (5) increased price supports for cottonseed.

The price outlook for cottonseed meal is about as favorable this feeding year as last. While the total supply of cottonseed meal during 1961-62 will not be much different from that of a year earlier, supplies of other high protein feeds will be up slightly. Demand and price for cottonseed meal will be affected by hay and pasture conditions in the South, and by near-record supplies of competitive feed grains. Hay production in the South is nearly as large as it was last year and pasture feed supplies are favorable, and above last year.

Cottonseed meal prices during October-September 1960-61 averaged $56.15 per ton (bulk, Memphis), the same as the previous feeding year. Prices in late October 1961, at $52 per ton, were about the same as last year. Cottonseed meal prices for the entire 1961-62 feeding year probably will be more stable than they were in the previous year even though the average may not differ much from the $56 per ton during 1960-61.

Exports of Edible Oils in 1961-62 To Set New Record; Food for Peace Program To Play Important Role

Exports of edible oils (cottonseed and soybean oils) in 1960-61 totaled about 1,133 million pounds (September estimated) compared with the 1,459 million the previous year and the smallest since 1957-58. The sharp rise in edible oil prices (over a third) during 1960-61, heavy supplies of butter in Europe and a much better than estimated olive oil crop in Spain were major factors in reducing U.S. exports below the year earlier level. About 46 percent of these oils moved out under the Food for Peace Program, mainly Title I of P. L. 480 in 1960-61, and except for a small quantity to Morocco programmed by ICA, the remainder was commercial dollar sales.

Cottonseed oil exports in 1960-61 are placed at 383 million pounds compared with 506 million the previous year. The major markets for U.S. cottonseed oil in 1960-61 were West Germany, Canada, Mexico, Egypt, and Pakistan, in that order. Of major significance in this year's pattern of trade, however, have been the sharp increases from last year in exports to Egypt, Mexico, Korea, and Venezuela, and the sharp decreases in exports to West Germany, the Netherlands, Turkey, Morocco, Iran, Israel, Belgium, and the United Kingdom. Egypt and Korea were larger program exports whereas in Mexico oil supplies were short and incomes and demand are rising.

Soybean oil exports in 1960-61 are placed at 750 million pounds compared with 953 million a year earlier. Spain was the largest taker accounting for 42 percent of the total.

Aside from the heavy shipments of soybean oil to Spain for dollars, the outstanding features of the 1960-61 exports were: (1) sharp increases from last year in the tonnage sent to Pakistan and Greece, the first U.S. soybean oil to Greece since 1957-58; (2) shipment of the first significant quantity of soybean oil to India; and (3) sharp declines in quantities exported to Western Europe and South America, and to Turkey, Egypt, Morocco, and Canada.

Current indications point to U. S. edible oil exports in the 1961-62 marketing year of 1.9 billion pounds, up about 70 percent from 1960-61. Most of the increase is expected to be in soybean oil although cotton oil shipments abroad also will be up. Exports of these edible oils in 1961-62 may be about as follows in comparison with 1960-61:

Export Financing	1960-61 1/			1961-62 2/		
	SBO	CSO	Total	SBO	CSO	Total
		(Mil.lb.)			(Mil. lb.)	
Dollars 3/	313	295	608			900
Food for Peace:						
Foreign donation	20	13	33	330	125	455
Other program 4/	417	75	492			545
Total	750	383	1,133	1,350	550	1,900

1/ Partly estimated. 2/ Forecast. 3/ Includes some ICA. 4/ Nearly all of this is Title I, P.L. 480.

Exports of cotton seed and soybean oils under P. L. 480 (excluding donations)are expected to total 545 million pounds compared with 492 million in 1960-61. The rise would mainly reflect major increased movement to Pakistan and Turkey, as well as larger exports to Israel, Egypt, Iran, and Colombia. These would more than offset the elimination of programs with Greece and Spain. The major increase in edible oil exports for dollars in 1961-62 is expected to go to Spain as that country shifts away from Title I oil.

The 1961-62 outlook for U. S. exports of food fats and oils includes: (1) substantially smaller olive oil crops in Spain and Italy; (2) smaller exportable supplies of Philippine copra and coconut oil and Canadian rapeseed. On the other hand, considerably more African peanuts. The Indian peanut crop is up. In recent years, India exports only small quantities of peanuts for crushing and very little oil. This year if Indian domestic prices drop substantially some peanuts or oil may be exported; (3) a continuation of small exportable supplies from China and somewhat smaller Argentine supply of edible oils at least through next spring; (4) a slightly better than average sunflower crop in the U.S.S.R. and good crops in Eastern Europe; (5) rising population and a high level of economic activity in most parts of the world; and (6) an expanded U. S. Food for Peace Program (foreign donations plus regular Title I of P. L. 480).

Table 14.--Fats and Oils: Estimated world production, average 1950-54, annual 1956-62 1/

Fat or oil	Average 1950-54	1956	1957	1958	1959	1960	1961 2/	1962 3/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Edible vegetable oils 4/	9,485	10,935	11,800	11,880	13,170	12,795	13,320	13,700
Butter (fat content)	3,650	3,930	4,050	4,130	4,090	4,280	4,360	4,360
Lard 5/	3,175	3,650	3,610	3,820	4,080	4,000	4,100	4,120
Palm oils 6/	3,841	4,315	4,316	4,136	3,964	4,154	4,170	4,170
Industrial oils 7/	1,358	1,420	1,814	1,494	1,521	1,501	1,470	1,370
Tallow and greases	2,530	3,265	3,265	3,250	3,400	3,600	3,600	3,650
Marine oils 8/	990	1,110	1,035	1,085	1,120	1,110	1,250	1,265
Estimated world total	25,029	28,625	29,890	29,795	31,345	31,440	32,270	32,635
U.S. production 9/	5,935	7,178	7,129	6,993	7,961	8,102	8,339	8,600
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
U.S. as a percentage of world	24	25	24	23	25	26	26	26

1/ World totals for output of edible vegetable and industrial oils as based upon production of oilseeds less estimated non-crushing uses. No allowance is made for changes in carryover stocks of oilseeds. U.S. data through 1961 includes reported production of oil plus oil equivalent of exported oilseeds. Forecasts for the U.S. for 1962 are based upon availabilities. 2/ Partly forecast. 3/ Forecast. 4/ Olive, cottonseed, peanut, soybean, sunflower, rapeseed, and sesame. 5/ Relates to rendered lards only in most countries. 6/ Coconut, palm kernel, palm and babassu. 7/ Linseed, tung, castor, oiticica, and perilla. 8/ Whale, sperm whale, fish and fish liver. 9/ U.S. production includes only the fats and oils included in the above world totals.

Prepared by the Foreign Agricultural Service, Fats and Oils Division.

Table 15.--Fats, oils and oilseeds in terms of oil: World indigenous exports by type, average 1950-54, annual 1956-62

Fat or oil	Average 1950-54	1956	1957	1958	1959	1960	1961 1/	1962 2/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Edible vegetable oils 3/	1,510	2,535	2,486	2,605	3,016	3,067	2,920	3,350
Palm oils 4/	2,258	2,567	2,553	2,318	2,202	2,345	2,345	2,345
Industrial oils 5/	652	624	845	683	746	681	725	670
Butter (fat content)	395	430	450	470	485	470	480	470
Lard	330	400	386	330	433	450	450	480
Tallow and greases	570	975	928	813	1,008	1,165	1,150	1,170
Marine oils 6/	697	735	740	770	810	845	900	915
World total	6,412	8,266	8,398	7,989	8,700	9,023	8,970	9,400
U.S. exports 7/	1,251	2,394	2,245	1,862	2,632	2,915	2,691	3,100
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
U.S. as a percentage of world	20	29	27	23	30	32	30	33

1/ Partly forecast. 2/ Forecast. 3/ Olive oil and the following oils and oil content of oilseeds: cottonseed, peanut, soybean, sunflower, rapeseed, and sesame. 4/ Coconut, palm kernel, palm, and babassu. 5/ Linseed oil and seed, castor oil and beans, tung, oiticica and perilla oils. 6/ Whale, sperm whale, fish and fish liver oils. 7/ U.S. exports include only the fats and oils included in the above world totals.

Prepared by Foreign Agricultural Service, Fats and Oils Division.

Table 16.--Cottonseed and soybean oils: U. S. exports, Public Law 480, and other, by countries, year beginning October, 1958-60

Country or area	1958			1959			1960 1/		
	Public Law 480	Other 2/	Total	Public Law 480	Other 2/	Total	Public Law 480	Other 2/	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Europe									
Germany	---	138	138	---	272	272	---	170	170
Netherlands	---	90	90	---	108	108	---	25	25
Belgium	---	---	---	---	17	17	---	7	7
United Kingdom	---	---	---	---	22	22	---	8	8
Greece	---	---	---	---	---	---	45	--	45
Italy	8	56	64	---	12	12	---	---	---
Spain	446	---	446	327	31	358	156	154	310
Yugoslavia	3/104	---	104	51	---	51	62	---	62
Poland	3/60	---	60	33	---	33	62	---	62
Other	---	12	12	1	15	16	1	10	11
Total	618	296	914	412	477	889	326	374	700
Canada	---	58	58	---	81	81	---	69	69
Latin America									
Cuba	---	10	10	---	11	11	---	3	3
Mexico	---	9	9	---	2	2	---	47	47
Argentina	---	---	---	9	---	9	---	---	---
Chile	---	2	2	---	12	12	13	8	21
Colombia	17	14	31	29	14	43	---	5	5
Equador	3	4	7	---	7	7	8	2	10
Peru	---	11	11	8	10	18	---	14	14
Other	---	18	18	---	38	38	---	27	27
Total	20	68	88	46	94	140	21	106	127
All Other									
U.A.R.	20	---	20	47	---	47	32	---	32
Morocco	---	29	29	---	70	70	---	40	40
India	---	4/	4/	---	4/	4/	7	---	7
Iran	---	4/	4/	---	18	18	12	2	14
Israel	18	---	18	31	---	31	29	---	29
Japan	---	3	3	---	10	10	---	7	7
Korea, South	---	4/	4/	---	4/	4/	5	---	5
Pakistan	51	---	51	72	---	72	57	---	57
Taiwan	6	---	6	3	---	3	3	---	3
Turkey	3/156	---	156	81	---	81	---	---	---
Other	---	2	2	---	14	14	---	10	10
Total	251	34	285	234	112	346	145	59	204
Total	3/889	456	1,345	692	764	1,456	492	608	1,100
Donations	---	---	---	---	---	---	35	---	33
Grand total	3/889	456	1,345	692	764	1,456	527	608	1,133

1/ Partly estimated. 2/ Includes ICA financing. 3/ Includes 10.2 million pounds of soybean oil shipped to Poland, Yugoslavia and Turkey that was reported by Census as shortening and mixed vegetable oils. 4/ Less than 500,000 pounds.

The Food for Peace Program is expected to shift into high gear during 1961-62, picking up momentum as the season progresses. So far, about 455 million pounds of edible oil are scheduled to be purchased by the USDA for donation to the needy abroad--255 million pounds have been bought this fall and another 200 million next spring, and additional purchases next summer are possible.

Soybean oil exports during 1961-62 are forecast at a record 1,350 million pounds, 600 million more than last year. The increase would mainly reflect a heavy movement of oil under the foreign donation program; although dollar sales--mainly to Spain--are also expected to be up somewhat. Cottonseed oil exports are forecast at 550 million pounds, up 165 million from 1960-61, reflecting increases in the program sector.

Lard Production Expected to Rise 5 Percent in 1961-62; Prices to Average Lower

Lard output during 1961-62 is expected to rise slightly, resulting in lower lard prices and more lard used in the manufacture of shortening. Little change in exports is expected.

Production of lard (including farm) in the marketing year which began October 1, 1961, is forecast at 2,650 million pounds, up about 5 percent from the year before. The increase mainly reflects the rise in hog slaughter due to the upturn in the number of pigs saved in 1961. The 1961 pig crop, which will provide most of the hogs for slaughter in 1961-62, is expected to total 93.0 million head compared with 88.5 million in 1960.

Domestic disappearance of lard in 1961-62 is forecast at 2,150 million pounds, about 7 percent more than the previous year. The rise would mainly reflect increased usage of lard in the manufacture of shortening although use in margarine may be up a bit again this year.

The direct use of lard during 1961-62 probably will total around 1,400 million pounds or about the same as a year earlier. Government purchases (program was announced August 28, 1961) of lard for distribution to schools, institutions, and needy families will help maintain this level. During 1960-61, the USDA purchased 100 million pounds for the needy and for school lunches. On a per capita basis, the direct use of lard probably will again slip slightly in 1961-62. It has declined from 14.4 pounds per person in 1940 to about 8.0 pounds this year. After allowing about 100 million pounds for margarine and other edible uses, this would leave around 650 million pounds of lard for use in shortening manufacture, about 125 million more than that consumed in 1960-61. Shortening manufacturers likely will shift from the higher-priced edible oils to lard during 1961-62 because of the anticipated price advantage for lard.

Lard prices (tankcars, loose, Chicago) for the entire 1961-62 marketing year are expected to average roughly 10 percent below the 10.0 cents per pound during 1960-61. Lard prices this fall and winter, when production will be seasonally high, are expected to show some seasonal weakness and probably will average somewhat below the 9.8 cents per pound during October-December 1960. Hog slaughter during this period is expected to be up, reflecting the 7 percent rise in the 1961 spring pig crop. Government purchases of lard will provide some price strength in the market.

Foreign Outlets for U. S. Lard Narrow

Lard exports (including shipments of about 60 million pounds to U. S. Territories) in 1961-62 are expected to approximate the 500 million pound rate of 1960-61, with a larger volume to the United Kingdom tending to offset the reduced movement to Cuba. An export rate this large would represent about one-fifth of our commercial lard output.

Exports to the United Kingdom, largest single market for U. S. lard, are likely to pick up in 1961-62, mainly because of lower prices. Also, the opening of the St. Lawrence Seaway has made it possible to move U. S. lard in bulk-tank shipments from Chicago to packing houses in England for slightly over 1 cent per pound. When the Seaway is closed for the winter, tankers leave from New York and New Orleans. The liquefaction shipping technique makes North American lard more competitive with Continental European lard in the British market. Counteracting this is the tendency of some of our foreign markets to limit imports to protect their own hog industry, or aid production of vegetable shortening.

Exports of lard to Cuba, our second largest foreign market until this year, are expected to be very small in the year ahead. In recent months, they have slowed to a trickle, mainly as a result of greatly reduced availabilities of dollars and the break in diplomatic relations.

In calendar 1960, the United Kingdom and Cuba accounted for 87 percent of our lard exports of 620 million pounds whereas during 1951-55 these two countries took about 50 percent of the total annual average outward movement of 555 million pounds.

The U. S. lard industry is confronted with the narrowing-down of U. S. foreign outlets as a result of greatly expanded production abroad, competition of vegetable oils and the increasing number of trade barriers.

U. S. lard is facing tough competition in the European markets and in time we could lose it completely. The European Economic Community (known as the Common Market) is planning to increase the external tariff on lard from 10 to 20 percent, a move which would price U. S. lard out of that market. Already the Common Market as a whole is a net exporter of lard, with West Germany the only substantial net importer and with the Netherlands and France becoming larger exporters each year. Even with the present duty averaging about 10 percent, U. S. exporters are feeling the pressure and they will feel it more as the internal EEC duty on lard is gradually reduced to zero.

Table 17.--Lard: Supply, disposition and price, by months crop years 1950-60

Year beginning October	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Year
Production (excluding farm)													
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	188	229	271	285	175	204	200	207	207	179	185	176	2,506
1951	215	254	281	287	255	248	226	195	185	168	155	166	2,634
1952	208	227	293	270	190	194	174	150	150	140	126	139	2,261
1953	174	207	208	190	153	174	153	145	157	149	148	170	2,028
1954	197	227	258	235	192	220	183	181	167	147	172	184	2,363
1955	215	264	292	273	231	253	207	199	180	169	172	177	2,632
1956	228	246	224	226	198	215	206	211	174	166	159	173	2,426
1957	216	208	215	221	169	177	188	178	167	167	158	182	2,246
1958	217	201	228	228	208	216	219	201	198	206	184	208	2,514
1959	238	235	268	239	203	224	202	203	199	166	193	186	2,556
1960 1/	192	204	208	206	181	215	187	218	205	168	181	181	2,346
Stocks, first of month													
1950	82	79	99	127	163	159	147	142	132	124	91	72	
1951	57	60	67	104	120	138	154	178	185	215	208	168	
1952	143	112	137	211	242	242	239	226	201	169	109	56	
1953	42	45	51	74	76	73	79	74	69	66	58	48	
1954	50	51	75	104	124	138	137	140	144	133	118	97	
1955	75	75	98	147	184	210	233	226	211	203	178	141	
1956	123	106	103	112	101	112	119	127	120	107	102	77	
1957	69	68	79	101	101	91	85	87	87	66	55	50	
1958	46	54	68	95	109	118	132	147	158	148	136	100	
1959	93	80	92	124	136	147	145	136	150	136	129	109	
1960 1/	92	72	83	94	114	112	141	153	149	150	127	114	
Exports 2/													
1950	19	28	43	54	36	58	70	73	73	77	53	46	630
1951	32	76	95	101	105	90	61	52	33	34	40	31	751
1952	48	50	48	54	52	45	45	37	32	37	38	28	515
1953	23	39	45	38	44	27	49	55	36	32	37	30	456
1954	49	59	64	61	54	54	61	40	35	33	40	35	587
1955	60	70	75	74	56	66	61	73	49	47	46	42	719
1956	53	52	53	43	43	67	47	72	58	39	29	34	590
1957	50	42	38	42	42	41	25	43	36	40	32	30	461
1958	46	46	33	52	62	49	47	50	51	64	45	64	608
1959	73	75	42	76	57	61	60	55	66	47	58	47	716
1960 1/	62	37	54	49	45	40	30	48	35	58	25		
Domestic disappearance													
1950	172	181	200	194	144	158	135	143	141	136	151	145	1,901
1951	180	170	149	170	132	142	141	136	124	141	155	161	3/1,803
1952	191	153	171	185	138	151	142	138	150	163	142	124	1,848
1953	148	162	140	151	112	141	109	95	124	125	121	137	1,564
1954	147	144	165	153	124	167	119	138	143	129	152	171	1,751
1955	155	170	169	163	149	164	153	141	139	147	163	153	1,864
1956	192	197	163	194	144	141	152	146	129	133	155	147	1,891
1957	167	155	155	179	137	142	162	135	151	138	131	156	1,808
1958	162	141	168	162	137	153	158	140	157	154	174	151	1,858
1959	178	149	195	151	135	165	151	134	146	127	155	155	1,840
1960 1/	150	156	143	136	138	146	145	174	169	133	167		
Price per pound, tanks, loose Chicago													
1950	12.5	13.7	15.7	17.3	18.1	17.9	16.5	16.4	15.2	15.4	16.6	16.1	16.0
1951	16.3	13.9	13.9	12.9	11.4	10.7	9.7	10.4	10.2	10.0	9.2	9.4	11.5
1952	8.5	8.4	7.8	7.2	7.9	9.1	9.3	10.4	9.6	11.7	14.6	17.2	10.1
1953	15.8	14.1	15.9	15.3	15.9	16.9	19.1	17.4	15.4	16.2	17.0	15.5	16.2
1954	14.2	13.6	12.1	11.5	11.1	10.9	11.8	11.2	10.8	10.6	9.9	10.2	11.5
1955	10.7	9.8	9.0	9.1	9.7	9.7	10.8	11.4	10.1	10.4	11.3	11.7	10.3
1956	12.2	12.6	13.5	13.9	13.5	13.0	12.8	11.3	12.1	12.9	12.3	12.5	12.7
1957	11.9	11.2	10.9	10.6	11.7	11.4	11.6	11.7	11.6	12.0	12.8	11.6	11.6
1958	11.6	10.5	9.2	8.6	8.5	8.4	8.6	8.3	7.9	7.6	7.1	7.7	8.7
1959	7.8	7.7	7.1	7.0	7.2	7.8	8.5	8.3	8.8	9.7	10.0	9.0	8.2
1960	9.7	10.3	9.5	10.0	12.3	12.0	11.2	9.8	8.4	8.4	8.9	8.8	9.9

1/ Preliminary and partly estimated.
2/ Including shipments to U. S. Territories.
3/ Includes 6 million pounds of imports.
Totals computed from unrounded numbers.

U.S. exports to Japan are relatively small but even here we could lose our lard market. In July 1961, the Japanese Government raised its tariff on lard, and the new tariff instead of being 5 percent ad valorem is now a specific duty of 15 yen per kilo (U.S. $0.017 per pound). This is equivalent to approximately 20 percent ad valorem at current market prices. When the new tariff went into effect, the Government allowed unlimited imports, but even so, this tariff probably will reduce our lard exports to Japan. On the other hand, U.S. exports of hog grease to Japan is increasing.

The trend in the Latin American countries has been to foster vegetable oil production. As a result, Mexico and Venezuela, once good markets for U.S. lard, have placed restrictions on its entry. Many of the other countries have made trade restrictions too. Peru, one of the few that does not, is now buying Dutch lard.

Butter Output To Increase Again in 1961-62; Per Capita Consumption May Hold

Butter output in the 1961-62 year, beginning October 1, 1961, is forecast at 1,550 million pounds, about 3 percent more than the previous year and the third consecutive year to show a slight increase. Prices to farmers for butterfat likely will average at about the CCC support price of 60.4 cents per pound, about the same as in the previous year. Commercial demand for butter probably will be lower in the year ahead but total consumption may be maintained by substantially larger distributions from CCC stocks to school lunch and welfare outlets.

Butterfat prices after March 1962 will depend on the level of support for the 1962-63 dairy marketing year, which begins April 1. Under existing legislation, prices to farmers for milk and butterfat must be supported at a level between 75 and 90 percent of parity. The exact level within this range is determined by the Secretary of Agriculture.

Consumption of butter per person in 1961-62 may be about the same as the 7.5 pounds of last year. Government donations will be up, but these may be about offset by a decline in civilian commercial consumption. Use has trended downward considerably since 1935-39, when consumption was 17.0 pounds per person.

Large Surplus of Peanuts To Continue in 1961-62; Higher Support Prices Mean a 10 Percent Increase in Prices to Producers

The total supply of farmers' stock peanuts during the 1961-62 marketing year that began August 1, 1961, is currently estimated at 2,083 million pounds, 5 percent less than last year. Both starting stocks and output are down this year. The 1961 peanut crop is nevertheless considerably in excess of probable food and farm uses, and CCC will acquire the surplus under the support program.

The 1961 peanut crop was estimated as of October 1, 1961, at 1,742 million pounds compared with 1,784 million in 1960. The decline is due to lower yields per acre--1,230 pounds this year compared with the 1960 record yield of 1,265 pounds per acre--as the acreage to be picked and threshed at 1,417,000 acres is about the same as the acreage harvested for nuts last year. Acreage allotments for 1961-crop peanuts are again at the legal minimum of 1,610,000 acres for picking and threshing.

The 1961 crop peanuts is being supported at a national average level of 11.0 cents per pound ($221 per ton), compared with 10.1 cents per pound ($201.24 per ton), for the previous crop. The 1961 support price is 85 percent of parity compared with 78 percent in 1960. Support prices for various types of peanuts are as follows: Virginia, $233.69 per ton; Runner, $207.84; Southeast Spanish, $224.12; Southwest Spanish, $217.37; and Valencia type suitable for cleaning and roasting, $233.82. The practice of deducting a fee of $9.00 per ton from growers' support prices for inspection, grower association expenses, and monthly storage is discontinued.

Principal provisions of the 1961 program are similar to those in effect for the 1960 crop. Price supports are available by means of non-recourse warehouse storage loans to grower associations through January 31, 1962; they will mature May 31, 1962, or earlier on demand by CCC.

The 1961-62 outlook is for farm prices of peanuts to average around 10 percent higher than the 10.0 cents per pound received last year, reflecting the increase in the 1961 support rate. The 1961 crop of peanuts is in excess of food and farm requirements, and farm prices, as in recent years, are likely to average near the CCC support rate.

Prices to farmers for 1961 crop Spanish and Runner type peanuts so far this season are averaging at about the support level, 7-8 percent more than last year. Virginia-Carolina peanuts have just started to move in volume, and prices are also running near the higher loan rate for this year.

Peanut Consumption Rate Per Person To Continue Steady in 1961-62; CCC Diverting Peanuts Into Peanut Butter for Needy

Civilian consumption of peanuts in the post World War II era has been relatively stable averaging about 6.5 pounds per person, farmers' stock basis (4.5 pounds shelled basis), about the same as for 1937-41. Supplies of peanuts in most years were plentiful, and prices to growers averaged near support.

Of the normal consumption of 6.5 pounds per capita, about 5.5 pounds are usually consumed in the form of peanut butter, salted nuts, and in candy. Consumption of the other pound is almost equally divided between roasted peanuts (ball park type) and food on farms. Farm uses other than food (seed, feed, loss, and shrinkage) have been relatively stable since 1952 averaging about 155 million pounds.

Table 18.--Peanuts: Supply and disposition (farmers' stock basis), United States, 1937-61

Year beginning Aug. 1	Supply				Disposition					
	Production	Imports	Beginning stocks 1/	Total supply	Exports and shipments	Crushed for oil	Seed, feed, farm loss and shrinkage	Domestic food use		
								Military	Civilian	Civilian per capita
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
Average 1937-41	1,395	5	122	1,522	3	320	197	15	891	6.7
1942	2,193	4	190	2,387	5	420	336	146	1,172	9.0
1943	2,176	2	308	2,486	34	488	295	223	1,089	8.5
1944	2,081	54	357	2,492	28	436	307	288	1,122	8.7
1945	2,042	32	311	2,385	64	397	295	14	1,268	9.4
1946	2,038	2/	367	2,405	249	534	293	---	1,081	7.7
1947	2,182	2/	248	2,430	482	477	301	3	932	6.5
1948	2,336	2/	235	2,571	725	473	210	6	955	6.5
1949	1,865	2/	202	2,067	172	610	219	7	856	5.7
1950	2,035	0	203	2,238	69	629	212	14	967	6.4
1951	1,659	0	347	2,006	8	432	139	10	1,005	6.6
1952	1,356	0	412	1,768	3	195	142	10	998	6.4
1953	1,574	2/	420	1,994	239	303	152	10	1,007	6.4
1954	1,008	180	283	1,471	9	107	132	7	1,012	6.3
1955	1,548	5	204	1,757	6	257	172	1	954	5.8
1956	1,607	5	367	1,979	102	260	161	3	1,026	6.1
1957	1,436	2	427	1,865	48	239	157	3	1,081	6.4
1958	1,814	2	337	2,153	62	335	164	8	1,088	6.3
1959	1,588	1	496	2,085	72	292	169	3	1,154	6.6
1960	1,784	2/	395	2,179	80	362	159	8	1,230	6.9
1961 3/	4/1,742	1	340	2,083				(1,250)		(6.8)

1/ Includes oil stock peanuts.

2/ Less than 500,000 pounds.

3/ Preliminary. Disposition is forecast.

4/ Indicated October 1.

Shelled edible peanuts and shelled oil stock peanuts converted to farmer stock peanuts based on conversion factors calculated from result of shelling operations in each year.

Table 19.--Peanuts: Allotments, acreage, yield, marketing quotas and production, farmers' stock basis, 1938-61

Crop year	Acreage				Yield per acre		Announced marketing quota	Production	Production less announced marketing quota	Excess acreage peanuts sold for oil 3/
	Allotment		Picked and threshed							
	Actual 1/	Legal minimum 2/	Total	Percentage of allotment	Used in determining allotments	Actual				
	1,000 acres	1,000 acres	1,000 acres	Percent	Pounds	Pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1938-41	1,448	4/	1,888	5/131	4/	759	6/	1,436	---	7/
1942	1,610	1,610	3,355	8/208	4/	654	1,256	2,193	937	409
1943	9/	4/	3,528	---	---	617	---	2,176	---	---
1944	---	4/	3,068	---	---	678	---	2,081	---	---
1945	---	4/	3,160	---	---	646	---	2,042	---	---
1946	---	4/	3,141	---	---	649	---	2,038	---	---
1947	---	4/	3,377	---	---	646	---	2,182	---	---
1948	9/	4/	3,296	---	---	709	---	2,336	---	---
1949	10/2,629	1,610	2,308	88	651	808	10/1,700	1,865	165	---
1950	2,200	2,100	2,262	103	665	900	1,286	2,035	749	68
1951	1,889	1,610	1,982	105	734	837	1,300	1,659	359	194
1952	1,706	1,610	1,443	85	777	940	1,300	1,356	56	---
1953	1,679	1,610	1,515	90	790	1,039	1,326	1,574	248	---
1954	11/1,610	1,610	1,387	86	837	727	11/1,348	1,008	-340	---
1955	1,731	1,610	1,669	96	920	928	1,592	1,548	-44	---
1956	1,650	1,610	1,385	84	894	1,161	1,500	1,607	107	---
1957	1,611	1,610	1,481	92	901	969	1,451	1,436	-15	---
1958	1,612	1,610	1,516	94	1,026	1,197	1,652	1,814	162	---
1959	1,612	1,610	1,453	90	1,101	1,092	1,772	1,588	-184	---
1960	1,612	1,610	1,410	87	1,160	1,265	1,868	1,784	-84	---
1961	1,612	1,610	1,417	88	1,205	1,230	1,940	1,742	-198	---

1/ Includes additional acreage for types of peanuts in short supply and/or required by legislation passed subsequent to establishment of the allotment. 2/ The 1941 allotment was declared the legal minimum except in 1950 when it was set at 2.1 million. The 1950 allotment was increased to 2.2 million in order to conform with subsequent legislation. 3/In 1941, 1942, 1950 and 1951, producers could harvest without penalty peanuts from acreage in excess of their allotments if these peanuts were sold for crushing. Allowance has been made for substitution between quota and excess acreage peanuts. 4/ Not applicable. 5/ No penalties were imposed on peanuts from acreage in excess of allotments. 6/ Defined as peanuts grown on allotted acres. 7/ 157 million pounds in 1941. 8/ The Department of Agriculture requested farmers to expand their acreage in order to provide peanuts for crushing. 9/ The 1943 quota and allotment were terminated because of the war and not reimposed until the 1948 crop. However, they were also terminated for the 1948 crop because of the need for oil. 10/ The law specified that the marketing quota for 1949 be equal to the 1943-47 average production adjusted for trend and prospective demand conditions. 11/ Except for the minimum acreage required by law, the 1954 allotment would have been 1,546 thousand acres, based upon a marketing quota of 1,294 million pounds. The marketing quota was raised in order to obtain the minimum acreage allotment. 12/ Preliminary.

Table 20.--Peanuts: Price per pound, quantity acquired under support program, farmers' stock basis, by areas, 1938-60

Crop year	Average price						Acquired under support program				
		Received by farmers in-								Total	
	Average support, United States	Virginia-Carolina	Southeastern	Southwestern	United States	Paid to CCC for crushing	Virginia-Carolina	Southeastern	Southwestern	Quantity	Percentage of production
	Cents	Cents	Cents	Cents	Cents	Cents	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Average 1938-41	1/	4.0	3.5	3.4	3.7	2.3	50	272	56	378	26
1942	1/	7.4	6.1	4.8	6.1	4.1	54	420	426	899	41
1943	1/	7.4	7.1	6.8	7.1	4.2	429	1,072	276	1,778	2/82
1944	1/	8.8	7.8	7.6	8.0	4.4	474	937	334	1,745	2/84
1945	1/	9.2	8.0	7.9	8.3	4.4	380	993	346	1,718	2/84
1946	9.8	10.3	8.8	8.6	9.1	9.7	4	17	34	55	3
1947	10.8	11.0	9.9	9.6	10.1	8.7	98	226	204	528	24
1948	10.4	10.9	10.5	10.3	10.5	5.4	214	740	213	1,167	50
1949	10.5	10.9	10.3	10.1	10.4	4.4	81	477	205	763	41
1950	10.8	12.7	10.4	10.3	10.9	7.5	96	554	184	835	41
1951	11.5	12.2	9.6	9.2	10.4	6.2	132	352	56	540	32
1952	12.0	11.3	10.4	11.4	10.9	7.2	37	69	0	106	8
1953	11.9	12.0	10.6	11.0	11.1	6.5	1	238	30	269	17
1954	12.2	13.5	11.1	11.7	12.2	0	0	0	0	0	0
1955	12.2	13.1	11.2	11.5	11.7	5.6	10	190	68	268	17
1956	11.4	11.9	10.7	11.2	11.2	5.5	89	245	0	334	21
1957	11.1	10.7	10.1	10.4	10.4	5.2	58	50	3/	108	8
1958	10.7	10.9	10.5	10.5	10.6	5.0	83	240	60	383	21
1959	9.7	10.6	9.0	9.6	9.6	5.3	14	194	38	246	15
1960	10.1	11.0	9.4	10.0	10.0	5.1	28	199	71	299	17

1/ No base price established. 2/ CCC was designated as the sole purchaser of farmers' stock peanuts in these years. 3/ Less than 500,000 pounds.

The 6.5 pound per person consumption rate is expected to prevail during the 1961-62 marketing year. With the population gain in prospect, this means that total consumption of peanuts will rise slightly. Assuming a slight increase in peanut consumption and farm uses about the same as in recent years, around 375 million pounds or 20 percent of the 1961 crop would be available for crushing, exports, and addition to stocks.

A large quantity of 1961 crop peanuts acquired by CCC under the 1961 support program will be diverted into peanut butter manufacture for distribution to needy persons. Preliminary estimates are that 75-100 million pounds of 1961 farmers' stock peanuts may eventually wind up in the CCC peanut butter program. The total quantity crushed, exported, diverted into peanut butter manufacture for donation to needy, or carried over next August 1 depends upon the CCC diversion policy.

1961-62 Flaxseed Supply Down; Farm Prices Up Sharply

Domestic flaxseed supplies during the 1961-62 marketing year are tight. Output is down sharply and stocks are low.

Production of 1961 crop flaxseed was estimated as of October 1 at 21.4 million bushels, 10 million bushels or 30 percent below 1960. Output in each of the three leading producing States--North Dakota, Minnesota, and South Dakota--is down from 1960. With the exception of 1959, when production was 21.2 million bushels, the current crop appears to be the smallest since 1939. The largest flaxseed crop of record was 54.8 million bushels in 1948.

The lower production this year is due to an 18 percent decrease in acreage and a yield per acre of 7.8 bushels compared with 9.1 bushels last year and the 1950-59 average of 8.3. The major flax producing areas have been suffering from a shortage of soil moisture since the fall of 1960.

The total supply of flaxseed in the 1961-62 marketing year (starting stocks on July 1 of 5.4 million bushels plus the 1961 crop) is now placed at about 27 million bushels compared with 33 million last year (table 21). Crushings of flaxseed for domestic oil use are forecast at 19 million bushels, exports at 2 million bushels (about 1 million has already moved out), and another 2 million will be needed to seed the 1962 crop. If these demand estimates are correct, carryover stocks on July 1, 1962, will be at the very low level of around 3 million bushels.

The season average price received by farmers for 1961 crop flaxseed (those fortunate enough to have it) is estimated at $3.40 per bushel, 60 cents above the 1961 support price and 75 cents above the average price received for 1960 crop. These high prices result not only from the close balance between supply and demand this year in the United States but also the world shortage, which probably will not be alleviated until the Argentine crop comes to market in early 1962.

Present indications are that exportable supplies of flaxseed (including the seed equivalent of linseed oil) from the 1961 crops in foreign countries may be down substantially from about 55 million bushels of last year. Canada, Argentina, and the United States are the three major exporting countries. Flaxseed acreage in Canada is down 8 percent from 1960 and yields have been reduced due to the intense drought this summer. The Canadian crop is estimated at 15.0 million bushels compared with an output of about 23 million last year. The key to the world situation for flaxseed and linseed oil really rests with Argentina, where the new crop supplies become available early in 1962. Plantings in Argentina are up because of higher market prices but higher production will probably not offset reduced North American production.

Linseed Oil Prices To Continue Strong Throughout 1961-62; Consumption May Be Hurt Again

Linseed oil prices (raw, tank cars, Minneapolis) so far this marketing year averaged 15.3 cents per pound, 2.5 cents above July-October 1960 and the highest price level since the spring of 1956. These higher prices reflect the smaller supplies of linseed oil and the short 1961 crop. The outlook for linseed oil prices indicates that they will continue strong throughout the 1961-62 marketing year, averaging around 15-16 cents per pound compared with an average of 13 cents in 1960-61.

The high level of linseed oil prices during the current marketing year probably will accelerate the downtrend in linoil consumption, as users of drying oils tend to change paint formulations and shift to lower-priced substitutes insofar as possible. Consumption of linseed oil has shown a sharp downtrend in the last decade, dropping from a postwar peak of 728 million pounds in 1950 to 370 million in 1960. Prospects are that it will show another decline this year.

The supply of linseed meal during the 1961-62 feeding year, which began October 1 (this differs from the flaxseed crop year beginning July 1), is placed at 400,000 tons, somewhat below 1960-61. Output of linseed meal probably will be a shade under the last feeding year because of a slight decline in the crush and sharply reduced supplies of flax. Carryover at the end of the 1961-62 feeding year probably will be about the same as this October 1. This could result in a total tonnage fed to livestock of around 350,000 tons. Linseed meal exports in recent years have been relatively small.

Linseed meal prices (bulk, Minneapolis) at the beginning of the 1961-62 feeding year averaged $54 per ton, about $3.50 above October 1, 1960. Prices have since strengthened and in late October were $56 per ton compared with $51 a year ago, reflecting firmer demand. Linseed meal prices for the entire 1961-62 feeding year probably will average slightly above the 1960-61 average of $54 per ton, mainly because processors will be paying a much higher price for flaxseed this year than last, crushings will be down slightly, and supplies of linseed meal will be relatively tight. Also, feeding ratios for beef and dairy cattle in 1961-62 probably will be favorable.

Table 21.--Flaxseed: Price to farmers, acreage, yield, supply and distribution; stocks and total disappearance of linseed oil in terms of flaxseed, United States, 1947-60

Year beginning July	Price per bushel		Acreage harvested		Flaxseed							Linseed oil (in terms of flaxseed)		
					Supply			Distribution					Disappearance	
	Season average received by farmers	Support (farm basis)	Total	Yield per acre	Production	Stocks July 1	Total supply	Net exports	Crushings	Seed	Residuals	Stocks, July 1	Domestic	Total 1/
	Dol.	Dol.	Thous. acres	Bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1947	6.15	5.75	4,129	9.8	40.6	2/1.7	43.0	-.7	30.1	3.2	2.5	7.3	28.9	31.1
1948	5.71	5.75	4,973	11.0	54.8	7.2	62.6	4.1	37.3	3.5	-2.2	7.0	24.5	25.2
1949	3.63	3.74	5,048	8.5	43.0	19.4	62.3	2.0	37.4	2.8	-3.2	19.5	26.5	26.7
1950	3.34	2.57	4,090	9.8	40.2	17.0	57.2	2.9	42.3	2.7	-3.0	29.4	36.4	37.7
1951	3.72	2.65	3,904	8.9	34.7	12.3	47.0	4.2	30.2	2.3	-.2	33.8	29.1	30.5
1952	3.73	3.77	3,304	9.1	30.2	10.5	40.7	.2	25.2	3.2	1.1	33.6	27.8	28.0
1953	3.64	3.79	4,570	8.2	37.7	11.0	48.7	2.4	27.8	3.9	.3	31.3	26.4	41.7
1954	3.05	3.14	5,663	7.3	41.3	14.2	55.5	8.2	32.3	3.5	.3	17.6	26.6	42.8
1955	2.90	2.91	4,941	8.2	40.4	11.2	51.6	10.4	34.9	3.9	-1.8	7.0	27.7	34.8
1956	2.99	3.09	5,473	8.6	47.0	4.1	51.2	2.5	26.2	3.7	.7	7.0	24.5	28.3
1957	2.94	2.92	4,793	5.2	25.1	19.4	44.6	9.0	27.3	2.6	-3.2	5.1	22.2	26.6
1958	2.69	2.78	3,679	10.2	37.4	8.7	46.2	6.0	22.4	2.3	.7	5.6	22.8	23.2
1959	3.00	2.38	2,932	7.2	21.2	14.7	36.0	8.3	23.2	2.4	-.9	4.9	20.9	23.7
1960 3/	2.66	2.38	3,341	9.1	30.4	3.0	33.4	7.0	20.0	2.1	-1.0	4.5	18.5	19.7
1961 4/		2.80	2,732	7.8	21.4	5.3	26.7	2	19	2.7		4.7		
1962						3								

1/ Domestic disappearance plus linseed oil exports.
2/ Partly estimated.
3/ Preliminary.
4/ Production indicated October 1. Distribution and stocks July 1, 1962 are forecast.

Tallow and Grease Exports in 1960-61 Surpass Year-Earlier Record as Markets Shift

Apparent production of inedible tallow and greases in 1960-61 totaled 3,550 million pounds, roughly the same as in 1959-60. Domestic use totaled 1,800 million pounds, or about the same as in the last 4 years. Increased usage of inedible tallow in animal feeds and otherindustrial products about offset declines in lubricants, similar oils, and fatty acids. Use in soap in 1960-61, which has shown a longrun downtrend, held at the year-earlier level.

Exports during 1960-61 totaled 1,750 million pounds, up slightly from last year's record. Exports to Europe were off sharply but this was more than offset by increased shipments to Japan and Russia. The U.S.S.R. has been a large purchaser of U. S. tallow beginning with March 1961, taking 198 million pounds through August. In the case of Japan, reduced supplies from Australia, liberalization of Japanese import restrictions, and effective U. S. market development activities helped spur the increase. Prior to 1959, Japan purchased Dutch lard processed from U.S. hog grease, but Japan has since developed its own processing industry.

Carryover stocks on October 1, 1961, were 383 million pounds compared with 343 million the same date last year and largest October 1 stocks of record.

Prices of inedible tallow (prime, tank cars, Chicago) increased steadily from 5.5 cents per pound in October 1960 to a seasonal peak of 7.8 cents in April 1961, then declined to 5.5 cents in September. The average price for the entire 1960-61 marketing year was 6.3 cents per pound, 0.7 cents more than the 1959-60 average. Some of the price rise during 1960-61 was associated with the sharp rise in food fat prices and to the slight reduction in the output of inedible tallow and greases in the first half of the marketing year. Strong export demand, particularly to Japan and Russia, was also a price-lifting factor.

Tallow and Grease Output Expected to Set New Record in 1961-62; Exports Will be the Key to the Price Situation

Output of inedible tallow and greases in the 1961-62 marketing year is currently forecast at a record 3.6 billion pounds, up slightly from 1960-61. The rise mainly reflects the prospective increase in both hog and cattle slaughter. Total disappearance also will rise, mainly because of greater exports, and probably will be sufficient to absorb the increase in output. And perhaps some reduction in carryover stocks may take place.

Table 22 .--Tallow, inedible, and greases: Supply and disposition, 1935-39 average and 1947-61

Year beginning October	Supply				Disposition			
	Apparent production 1/	Imports	Stocks Oct. 1	Total	Exports	Domestic disappearance	Price per pound Chicago	
							Prime	No. 1
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	Cents
Average								
1935-39	888	51	315	1,254	86	949	6.2	5.6
1947	1,980	1	259	2,240	74	1,842	18.5	17.3
1948	2,101	1	325	2,427	373	1,699	8.2	6.9
1949	2,150	2	356	2,508	497	1,733	6.8	5.9
1950	2,343	4	279	2,626	509	1,777	13.5	11.9
1951	2,268	1	340	2,609	720	1,550	6.3	5.1
1952	2,616	1	340	2,957	1,070	1,523	4.3	3.6
1953	2,661	3	363	3,027	1,186	1,574	6.2	5.6
1954	2,875	4	268	3,147	1,265	1,620	7.0	6.5
1955	3,215	2	260	3,477	1,494	1,677	6.9	6.3
1956	3,147	3	306	3,456	1,431	1,786	7.1	6.6
1957	2,896	2/	239	3,135	1,107	1,799	7.6	7.0
1958	3,214	2	230	3,444	1,311	1 808	6.9	6.0
1959	3,527	2/	327	3,854	1,718	1,794	5.6	4.5
1960 3/	3,550	2/	343	3,893	1,750	1,768	6.3	5.3
1961 4/	3,650	---	383	4,033	1,850	1,800		

1/ Apparent production computed from factory consumption, net foreign trade, and change in stocks. Reported factory consumption excludes that from small rendering plants. 2/ Less than 500,000 pounds. 3/ Preliminary. 4/ Forecast except stocks on October 1. Totals computed from unrounded numbers.

Table 23.--Tallow, inedible, and greases: Utilization, 1935-39 average and 1947-60

Year beginning October	Non food products						
	Soap	Animal feeds	Fatty acids	Lubricants and similar oils	Other	Loss	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average							
1935-39	787	---	---	---	161	1	949
1947	1,510	---	184	23	125	---	1,842
1948	1,381	---	173	25	119	2	1,699
1949	1,335	---	202	21	176	---	1,733
1950	1,280	---	250	28	217	1	1,777
1951	1,103	---	199	24	224	---	1,550
1952	1,008	---	237	24	252	1	1,523
1953	967	71	245	25	258	8	1,574
1954	861	174	267	38	268	12	1,620
1955	840	263	290	38	229	17	1,677
1956	788	383	284	34	285	13	1,786
1957	744	542	249	29	232	3	1,799
1958	732	476	353	66	182	---	1,808
1959	729	439	391	78	156	---	1,794
1960 1/	740	440	350	70	168	---	1,768

1/ Preliminary.
Totals computed from unrounded numbers.

The price outlook for the year ahead again hinges upon the strength of export demand because little change is in prospect for domestic disappearance. Current indications are that prices during 1961-62 will be more stable than last year and probably average in the 5-6 cents per pound level as output rises and stocks remain large. Slightly lower stable prices in the coming year will improve our competitive position in world markets, and exports during 1961-62 will probably increase over the previous year. Some increase in U. S. exports is in prospect for Japan, Europe, and possibly the U.S.S.R. Also, substantial amounts of inedible tallow and grease will be shipped abroad under P. L. 480 in 1961-62 whereas last year there were no program exports.

Tung Oil Supplies in 1961-62 Will Be Below 1960-61 as a Sharp Reduction in Stocks More Than Offsets Increased Output

The 1961 tung oil crop, which is just beginning to move to market in volume, is estimated at around 30 million pounds compared with the unusually small 1960 production of 13 million pounds. The first official estimate of the tung nut crop will be released on December 15. Some tung orchards were damaged by early spring freezes and hail this year, but damage was not nearly as severe as last year.

Carryover stocks of tung oil on November 1, 1961, the beginning of the 1961-62 tung marketing year, are estimated at 10 million pounds, down sharply from the 37 million pounds the same date in 1960. The decline is almost entirely due to the reduction in the CCC inventory, which dropped from 25 million pounds on November 1, 1960, to practically zero on November 1, 1961. Most of the CCC oil was sold for export during the 1960-61 marketing year.

Imports of tung oil are restricted by Presidential proclamation to 26 million pounds during the 1961-62 marketing year. Most of our imports of tung oil come from Argentina and Paraguay. Current indications are that the full import quota for the year will be imported although supplies in these countries are also smaller than last year. U. S. imports from Red China, the major world producer, are embargoed.

If the estimates of 1961 production and carryover stocks on November 1 are correct and if the full quota of 26 million pounds of tung oil are imported, total domestic supplies in 1961-62 would be around 66 million pounds, about 9 million pounds less than the year before.

Domestic Use of Tung Oil Will Do Well To Hold Its Own in 1961-62 Because of Higher Prices

Domestic use of tung oil in 1961-62 is forecast at 40 million pounds compared with 42 million pounds in 1960-61 and slightly below average for recent years. Smaller supplies of tung oil along with higher 1961 support prices will maintain tung oil prices at a relatively high level in 1961-62. Users probably will continue to operate on a short term basis and the drying oil trade will tend to shift to lower-priced substitutes insofar as possible.

Domestic prices of tung oil (Southern mills) during the 1960-61 marketing year averaged 26.2 cents per pound, 5.3 cents per pound above the 1960 support price and 4.3 cents above 1959-60. Imported tung oil prices averaged slightly less than the support equivalent of domestic oil on the New York market and this encouraged the consumption of foreign oil. Because of transportation costs, the support equivalent in New York is about 1¼ cents per pound above the support price at southern mills.

During the 1960-61 marketing season, CCC continued to offer tung oil for export sale (unrestricted use since January 13, 1961) on the basis of competitive bidding and sold its 25 million pound inventory. These sales were made on a rising world market because of the tightness in world supplies, and from January on were well above domestic support and acquisition price.

Current indications are that a tight world supply situation is ahead for 1961-62, because Red China is expected to continue to remain out of the market, and the 1961 Argentine crop outturn has been reduced by frost damage. World stocks of tung oil are at a low level whereas annual world consumption is believed to be relatively stable. Under these conditions, the U. S. may have some commercial export sales.

The 1961-62 outlook for tung oil prices (Southern mills) indicates that they will average above the CCC support rate of 24 cents per pound and at least as high as the 26 cents that prevailed in 1960-61, reflecting the prospective tight supply situation in the year ahead. Under these circumstances, the CCC likely will not have much price support activity and is not expected to acquire any oil on November 1, 1962. However, the relatively high price level for tung oil in 1961-62 probably will hurt domestic usage as mentioned earlier.

The USDA announced on June 2, 1961, that the 1961 tung oil crop is to be supported at $63.34 per ton (82.9 percent of June 1961 parity price of $76.40), basis 18.5 percent oil content. The equivalent price of tung oil is 24 cents per pound. In 1960, support rate was $53.50 per ton (20.9 cents per pound for tung oil). The 1961 support program will be implemented through purchase agreements on tung nuts and purchase agreements and loans on tung oil. Purchase agreements on tung nuts will be available from November 1, 1961, through January 31, 1962, and the purchase agreements and loans on oil from November 1, 1961, through June 30, 1962. Loans on tung oil will mature October 31, 1962, or earlier on demand by CCC.

The 1961 price support announcement was made several months in advance of the early fall announcements of prior years to assist some growers in obtaining credit for fertilizer and cultivation costs for 1960 crops reduced by adverse weather.

Farm prices of tung nuts during the harvesting season just underway are expected to average slightly above the 1961 support price and the 1960 crop average.

Table 24.--Tung nuts: Supply, disposition, and price, 1939-60

Year beginning November	Supply			Disposition		Price per ton		Oil yield per ton crushed
	Production	Imports	Total	Crushings	Residual	Season average	Support	
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Dol.	Dol.	Lb.
1939	1.2	---	1.2	(1.2)	---	42.20		
1940	11.0	---	11.0	(11.0)	---	60.00		
1941	8.7	---	8.7	(8.7	---	88.30		
1942	16.4	---	16.4	16.4	---	91.80		316
1943	6.2	---	6.2	5.5	.7	99.00		341
1944	26.7	---	26.7	27.3	-.6	102.00	100.00	321
1945	37.1	---	37.1	27.5	9.6	98.90	101.25	332
1946	57.4	---	57.4	45.1	12.3	96.90	---	319
1947	53.2	---	53.2	50.6	2.6	64.90	72.00	316
1948	58.5	2.7	61.2	50.3	10.9	49.10	---	339
1949	87.9	.3	88.2	83.1	5.1	63.70	60.00	322
1950	36.5	---	36.5	35.8	.7	111.00	63.00	343
1951	49.1	.1	49.2	48.5	.7	106.00	67.20	303
1952	132.1	.5	132.6	129.5	3.1	79.80	67.20	335
1953	120.0	---	120.0	112.6	7.4	66.80	63.38	352
1954	51.0	---	51.0	46.6	4.4	59.40	54.96	325
1955	6.2	.5	6.7	1/	---	64.00	51.06	---
1956	103.5	---	103.5	100.2	3.3	53.40	53.76	319
1957	82.6	---	82.6	80.7	1.9	52.30	52.13	315
1958	146.7	---	146.7	143.4	3.3	53.20	53.89	312
1959	110.6	---	110.6	105.7	4.8	52.40	53.50	322
1960 2/	42.6	---	42.6	37.6	5.0	62.50	53.50	346

1/ Negligible. 2/ Preliminary.

Table 25.--Tung oil: Supply, disposition, and price, 1935-61 1/

Year beginning November	Supply					Disposition		Price per pound			Oil acquired by CCC
	Production	Imports	Stocks Nov. 1		Total	Exports 2/	Domestic disappearance	Drums, N.Y. (imported)	Tanks f.o.b. mills 3/	Support	
			CCC	Total							
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	Ct.	Ct.	Mil. lb.
Average 1935-39	.6	123.2	---	37.9	161.7	5.7	118.1	18.2			
1942	5.2	4/	---	31.4	36.7	1.8	5/11.5	39.0			
1943	1.9	1.8	---	28.7	32.3	.7	5/10.5	39.0			
1944	8.8	.3	---	22.8	31.9	2.5	21.7	39.2		36.0	---
1945	9.1	24.5	---	7.7	41.3	.9	33.2	39.2		6/36.0	---
1946	14.4	103.4	---	7.2	125.0	6.0	87.1	32.4		---	---
1947	16.0	140.4	---	31.9	188.4	10.4	130.4	25.2		25.0	7.8
1948	17.0	72.4	7.8	47.6	137.0	10.9	107.7	23.4		---	---
1949	26.8	105.9	---	18.5	151.1	8.2	112.5	26.5	25.1	24.1	1.6
1950	12.3	48.2	1.6	30.5	91.0	6.4	5/72.4	38.2	36.7	25.1	---
1951	14.7	30.4	1.6	16.0	61.2	1.3	51.2	40.8	39.1	26.5	---
1952	43.4	13.0	.5	8.7	65.1	.3	49.6	31.3	28.6	26.5	5.8
1953	39.6	41.5	5.8	15.1	96.3	.3	49.3	24.3	23.8	23.9	32.8
1954	15.2	25.2	38.6	46.7	87.1	3.6	51.2	25.1	23.3	21.2	4/
1955	2.2	31.4	19.2	32.4	66.0	1.4	51.6	26.2	24.4	20.0	---
1956	32.0	31.5	.4	13.0	76.5	1.3	50.4	24.7	22.7	21.0	15.0
1957	25.5	24.7	15.0	24.8	75.0	.4	5/38.1	23.3	21.4	20.5	11.1
1958	44.8	25.0	25.8	36.9	106.6	7/20.7	47.4	24.1	21.9	21.0	24.6
1959	34.0	26.0	30.0	38.5	98.5	7/19.2	42.0	24.0	21.9	20.9	16.1
1960 8/	13	26	25.5	37.3	76.3	24	42	27.9	26.2	20.9	---
1961 9/	30	26	---	10	66		40			24.0	

1/ Data by crop year not available until 1942-43. 1935-39 calendar year average. 2/ Includes reexports. 3/ Not available before April 1949. 4/ Less than 50,000 pounds. 5/ Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance. 6/ Processor had to agree to buy back oil at 37 cents a pound or else CCC would purchase oil only at 30 cents a pound. 7/ CCC export sales. 8/ Preliminary. 9/ Forecast.

APPENDIX

The following statements, usually presented at the Agricultural Outlook Conference, are included here because of general interest in them.

CURRENT RESEARCH IN MARKETING FATS, OILS, AND OILSEEDS BEING CONDUCTED IN ECONOMIC RESEARCH SERVICE

Brief description of line projects initiated during the past year are given below.

Marketing Margins and Costs for Peanuts and Peanut Butter. Peanut butter is a leading peanut product, requiring about one-third of the total U. S. output of peanuts or one-half of the total shelled stock. The combined farm-to-retail price spread accounted for two-thirds of the consumer dollar spent for peanut butter.

This study will examine how intermediate costs of marketing peanut butter are affected by product characteristics, market situation, etc. It will measure marketing margins for peanuts in peanut butter associated with kinds of containers, brands, types of retail outlets and different consuming areas; and relate variability in margins and prices to the nature of marketing services.

Labor Utilization at Cottonseed Oil Mills. Cost of labor is by far the largest item of operating expense in processing cottonseed; making up from 25 to 50 percent of the total operating cost at most mills. Since the wage rate is increasingly upward, it is important that a study of labor-saving equipment and operating practices be made to provide a basis for offsetting rising labor costs.

This study will determine and evaluate the economic aspects of labor-saving equipment and operating practices that affect efficiency of labor utilization at cottonseed oil mills.

Costs and Practices of Peanut Shellers. The peanut shelling industry is highly competitive and faces serious problems of adjustments arising from changing technology, increasing labor and other operating costs and postwar reduction in peanut supplies.

The quality, outturn and the cost of shelling peanuts vary widely among the shelling plants varying with the type of peanuts, the methods and practices of the individual shelling plant and the type of equipment and facilities. Incomplete data indicate that considerable savings in cost can be realized through bulk storage by substituting mechanical equipment for labor in the loading and unloading of peanuts. Also combine picking and mechanical handling and curing offers great promise in improving the handling and marketing efficiency for peanuts.

This study proposes to determine the characteristics of economically optimum shelling operations in terms of possible labor and equipment combinations, shelling rates, product quality and locally available peanut supplies and will suggest beneficial operational changes.

Market Potential of Unextracted Soybean Meal in Poultry Feeds

Unextracted soybean meal would offer an alternate outlet for soybeans and at the same time afford feed manufacturers and livestock feeders who mix their own feeds an opportunity to have larger amounts of fat in their feeds, without requirement of special fat handling equipment. Inedible tallow and grease are the primary fats being added to formula feeds. The price spread between tallow and grease and soybean oil has been narrowing in recent years, making the processing of cooked unextracted soybean meal more attractive. Economic investigation would provide feed manufacturers, oilseed extractors, and other potential processors of soybeans with information as to market conditions that would make it economical for them to process cooked unextracted soybeans. In some areas of the United States, production of soybeans and consumption of soybean meal are high, but processing facilities are not locally available. Soybeans are shipped out of these areas and meal is shipped back in. Lowered freight costs on this feed ingredient would amount to a substantial saving. For these reasons cooked unextracted soybeans may find its most attractive economic position in areas away from the main soybean production and processing areas. This project will supplement and complement research of several State experiment stations and feed mixers experimenting with feeding and methods of processing unextracted soybeans. They have found that if soybeans are properly processed, the nutritional value is like soybean oil meal with added soybean oil. An economic study is needed to determine market conditions under which it is economical to process cooked unextracted soybeans as an alternative to soybean meal and oil processing.

Market Potential for Modified Edible Fats and Oils

Although major shifts have occurred both among food fat products groups and within groups, as well as important shifts in fats and oils used in end products, little change has occurred in the per capita consumption of fats and oils in the U. S. during the past decade. These trends have been accelerated by changes in food technology, consumer tastes and regulatory requirements which have led to demands for new and improved fats and oil products for the older markets, as well as an intensification of the search for new markets. Utilization research development of new and improved fat and oils products with special properties making them suitable for use in confections, bakery products, food and container coatings, edible lubricants, emulsifiers, coating oils and fats, and other special uses offer an opportunity for opening up entirely new markets for edible fats and oils. A variety of modified fats including a cocoa butter-like fat, dibasic-acid containing fats, and edible polymers and polyester-type derivatives of cottonseed oil are now and will be available to food processors for specialized end uses. The proposed research, among other things, would investigate the market potential for products in such uses as food coatings; milk and frozen food container coatings; protective coatings for meat, fish and shellfish, and poultry; and coatings for storage eggs. Information developed would also be valuable to the industry and to research workers enabling them to concentrate efforts on modifications which would meet the needs for such specific uses.

Other projects currently under way:

> Market Potentials for Fats and Oils and Fatty Acids in Selected Industrial Use Markets
>
> Market Potential Investigations for Products from New Crops for Industrial, Feed, Food or Pharmaceutical Uses (New Crops includes oilseeds)

Marketing Research Reports Pertaining to Oilseeds and Fats and Oils Released During the Past Year

Returns from Marketing Cottonseed and Soybean Oil in Margarine. Virginia M. Farnworth. Marketing Research Report No.503. October 1961 (in press).

Margins for Margarine. Virginia M. Farnworth. Article in Agricultural Marketing. October 1961.

Significant Changes in the Fats and Oils Industry. Thomas B. Smith. Article in Agricultural Marketing. December 1961.

Marketing Livestock Byproducts--Problem and Profit. John W. Thompson. Paper before the Seventh Annual Marketing Clinic, Michigan State University. March 15, 1961.

Cooked Unextracted Soybean Meal, Its Economic Feasibility in Poultry Feed (Preliminary Report) F. J. Poats, H. O. Doty, Jr., C. P. Eley, ERS-32, October 1961.

Fats Added to Feeds - An Economic Analysis. Harry O. Doty, Jr. Marketing Research Report No. 489, September 1961.

Trends in Industrial Markets for Fats and Oils Derivatives. F. J. Poats and M. W. Sills, The Journal of the American Oil Chemists Society, August 1961.

Impact of Urea on Oilseed Meal Markets. Richard Hall, Marketing Research Report No. 472, May 1961.

Trends in the Consumption of Fats and Oils in Plasticizers. Richard Hall, Fats and Oils Situation, FOS-205, November 1960.

SPECIAL ARTICLES IN SITUATION REPORTS, 1960-61

Lard Prices Higher in 1960-61. George W. Kromer, Agricultural Situation, October 1960.

Trends In Consumption Of Fats And Oils In Plasticizers. Richard Hall, Fats and Oils Situation, FOS-205, November 1960.

Another Reduction in Soybean Carryover in Sight for Next Year. George W. Kromer, Agricultural Situation, November 1960.

Slight Reduction Seen in Food Fat Supply. George W. Kromer, Agricultural Situation, December 1960.

Inedible Tallow and Grease Output to Continue Upward. George W. Kromer, Fats and Oils Situation, FOS-206, January 1961. Digest also published in Agricultural Situation, February 1961. Reprinted as AMS-429.

Soybean Prices Expected to Remain Well Above Last Year. George W. Kromer, Agricultural Situation, March 1961.

Consumption of Food Fats--Visible and Invisible. George W. Kromer, Agricultural Situation, April 1961. Similar article appeared in the Fats and Oils Situation, FOS-207, March 1961. Reprinted as AMS-442.

Postwar Changes in Consumption of Fat in Foods. George W. Kromer and Harry Sherr, National Food Situation, NFS-96, May 1961.

Trends in Soybean Acreage and Production, 1924-60. George W. Kromer, Fats and Oils Situation, FOS-208, May 1961. Reprinted as ERS-9. Digest also published in Agricultural Situation, May 1961.

Drop in Use of Fats and Oils as Drying Oils. George W. Kromer, Agricultural Situation, June 1961.

Prices of Major Food Fats and Oils Closely Related. George W. Kromer, Fats and Oils Situation, FOS-209, August 1961. Reprinted as ERS-28. Digest also published in Agricultural Situation, July 1961.

1961-62 Flaxseed Supply and Demand in Close Balance. George W. Kromer, Agricultural Situation, October 1961.

Lard Production Expected to Rise in 1961-62. George W. Kromer, Agricultural Situation, October 1961.

Soybean Prices Should Be More Stable In 1961-62, George W. Kromer, Agricultural Situation, November 1961.

Table 26.--Price support operations for oilseeds, 1949-61*

Item	Unit	Crop year 1/												
		1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Soybeans:														
Support price	Dol.	2.11	2.06	2.45	2.56	2.56	2.22	2.04	2.15	2.09	2.09	1.85	1.85	2.30
Support price percentage of parity	Pct.	90	80	90	90	90	80	70	75	70	70	64	64	79
Price received by farmers per bushel	Dol.	2.16	2.47	2.73	2.72	2.72	2.46	2.22	2.18	2.07	2.00	1.96	2.21	
Production	Mil. bu.	234.2	299.2	283.8	298.8	269.2	341.1	373.7	449.3	483.4	580.2	532.9	558.8	3/710.5
Placed under loan or purchased under support program:														
Quantity	Mil. bu.	16.1	15.0	11.1	14.1	31.8	41.4	30.1	65.7	90.6	140.2	52.4	25.6	
Percentage of crop	Pct.	6.9	5.0	3.9	4.7	11.8	12.1	8.1	14.6	18.7	24.2	9.7	4.6	
Acquired by CCC	Mil. bu.	2/	2/	2/	3.9	2/	15.6	2/	27.3	44.5	81.0	3.9	.3	
CCC carryout stocks, Sept. 30	Mil. bu.	2/	2/	2/	2.0	2/	6.6	2/	5.2	13.9	41.7	9.7	0	
Reseal in farm storage, Sept. 30	Mil. bu.	---	---	---	---	---	---	---	---	---	13.6	---	---	
Cottonseed:														
Support price:														
Basis grade 100 --														
Loan	Dol.	50.65	51.00	65.50	66.40	54.50	54.00	46.00	48.00	46.00	45.00	38.00	38.00	49.00
Purchase	Dol.	46.50	47.00	61.50	62.40	50.50	50.00	42.00	44.00	42.00	41.00	34.00	34.00	45.00
Percentage of parity	Pct.	90	73	90	90	75	75	65	70	65	65	57	57	78
Price received by farmers per ton	Dol.	43.40	86.60	69.30	69.60	52.70	60.30	44.60	53.40	51.10	43.80	38.80	42.50	---
Production	1,000 tons	6,559	4,105	6,286	6,190	6,748	5,709	6,043	5,407	4,609	4,798	5,991	5,886	5,942
Placed under loan or purchased under support program:														
As seed	1,000 tons	811.5	---	.5	.4	1.4	.1	---	---	---	---	---	---	---
As oil, crude basis	Mil. lb.	51.1	---	136.2	875.0	384.1	227.3	---	---	---	---	180	---	---
Percentage of crop 4/	Pct.	14.8	---	6.8	43.1	17.2	12.0	---	---	---	---	11.1	---	---
Acquired by CCC:														
As seed	1,000 tons	803.6	---	.1	---	---	---	---	---	---	---	---	---	---
As oil, crude basis	Mil. lb.	51.1	---	136.2	875.0	384.1	227.3	---	---	---	---	180	---	---
CCC (carryout) stocks of oil, crude basis, July 31	Mil. lb.	82.5	---	135.5	965.6	899.2	57.8	5/	---	---	---	---	---	---
Flaxseed:														
Support price	Dol.	3.74	2.57	2.65	3.77	3.79	3.14	2.91	3.09	2.92	2.78	2.38	2.38	2.80
Percentage of parity	Pct.	90	60	60	80	80	70	65	70	65	65	60	62	73.5
Price received by farmers per bushel	Dol.	3.63	3.34	3.72	3.73	3.64	3.05	2.90	2.99	2.94	2.69	3.00	2.66	---
Production	Mil. bu.	43.0	40.2	34.7	30.2	37.7	41.3	40.4	47.0	25.1	37.4	21.2	30.4	21.4
Placed under loan or purchased under support program:														
As seed	Mil. bu.	11.9	1.0	1.9	5.5	19.0	10.4	8.6	17.5	4.4	15.4	.4	3.1	
As oil	Mil. bu.	---	---	---	---	---	---	---	---	---	---	---	---	
Percentage of crop	Pct.	27.8	2.4	5.4	18.1	50.5	25.1	20.8	36.4	17.1	39.9	1.8	10.2	
Acquired by CCC:														
As seed	Mil. bu.	9.7	2/	2/	4.9	17.6	8.8	2/	16.7	3.5	13.1	---	---	
As oil	Mil. lb.	---	---	---	---	---	---	---	---	---	---	---	---	
CCC carryout stocks June 30:														
As seed	Mil. bu.	13.4	3.2	.2	5.2	8.8	6.8	2/	13.5	3.2	6.9	2/	---	
As oil	Mil. lb.	471.7	521.4	498.6	489.5	42.0	54.7	5/	---	---	11.0	---	---	
Reseal in farm storage, June 30	Mil. bu.	---	---	---	---	---	---	---	---	---	1.3	---	---	
Tung nuts and oil:														
Support price:														
Nuts, per ton	Dol.	60.00	63.00	67.20	67.20	63.38	54.96	51.06	53.76	52.13	53.89	53.50	53.50	63.34
Oil, per pound	Ct.	24.1	25.1	26.5	26.5	23.9	21.2	20.0	21.0	20.5	21.0	20.9	20.9	24.0
Percentage of parity	Pct.	60	60	60	62	65	60	60	65	65	65	65	65	82.9
Price received by farmers:														
Nuts, per ton	Dol.	63.70	111.00	106.00	79.80	66.80	59.40	64.00	53.40	52.30	53.20	52.40	3/62.50	
Oil, per pound 6/	Ct.	25.0	36.7	39.1	28.6	23.8	23.3	24.4	22.7	21.4	21.9	3/ 21.9	26.2	
Production:														
Nuts	1,000 tons	87.9	36.5	49.1	132.1	120.0	51.0	6.2	103.5	82.6	146.7	110.6	42.6	
Oil	Mil. lb.	26.8	12.3	14.7	43.4	39.6	15.2	2.2	32.0	25.5	44.8	3/ 34.0	13.0	
Placed under loan or purchased under support program:														
Nuts	1,000 tons	---	---	---	---	---	.4	---	---	---	---	---	---	
Oil	Mil. lb.	1.6	---	---	7.9	33.2	5.1	---	21.2	15.2	33.9	23.0	4.5	
Acquired by CCC--Oil	Mil. lb.	1.6	---	---	5.8	32.8	5/	---	15.0	11.1	24.6	15	0	
CCC carryout stocks of oil Oct. 31	Mil. lb.	1.6	1.6	.5	5.8	38.6	19.2	.4	15.0	25.8	30.0	23	0	

1/ Beginning October 1 for soybeans, August 1 for cottonseed, July 1 for flaxseed, and November 1 for tung nuts and oil.
2/ Less than 50,000 bushels.
3/ Preliminary.
4/ Percent that seed plus oil is of the production.
5/ Less than 50,000 pounds.
6/ F.o.b. southern mill.

*Does not include olive oil for which support programs were in effect only in 1951 and 1952.

Prepared by Oils and Peanut Division, CSS.

Table 27.- Food fats and oils: Supply and disposition, 1955-60

Year beginning October	Production			Stocks		Domestic disappearance			Exports		
	Oct.-Aug.	Sept.	Oct.-Sept.	Oct. 1	Sept. 1	Oct.-Aug.	Sept.	Oct.-Sept.	Oct.-Aug.	Sept.	Oct.-Sept.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
	Total 1/										
1955	9,813	737	10,550	960	822	7,171	602	7,773	2,782	197	2,979
1956	9,857	732	10,589	760	751	7,106	653	7,759	2,767	135	2,903
1957	9,829	720	10,549	694	746	7,348	704	8,052	2,433	162	2,595
1958	10,842	889	11,732	683	839	7,622	678	8,300	3,012	312	3,324
1959	11,613	852	12,466	734	867	7,748	694	8,442	3,688	192	3,880
1960	11,600			830	1,400	7,989			2,993		
	Butter (actual weight), except farm										
1955	1,325	92	1,418	295	118	1,269	112	1,380	235	9	244
1956	1,312	90	1,403	90	172	1,219	115	1,334	17	2	18
1957	1,313	87	1,400	145	178	1,247	118	1,365	35	1	36
1958	1,249	83	1,332	146	132	1,254	114	1,368	10	9	19
1959	1,286	82	1,369	93	169	1,191	115	1,307	21	1	22
1960	1,351			136	256	1,224			8		
	Lard, except farm										
1955	2,455	177	2,632	75	141	1,712	153	1,864	677	42	719
1956	2,253	173	2,426	123	77	1,744	147	1,891	556	34	590
1957	2,064	182	2,246	69	50	1,652	156	1,808	431	30	461
1958	2,306	208	2,514	46	100	1,707	151	1,858	544	64	608
1959	2,370	186	2,556	93	109	1,685	155	1,840	669	47	716
1960	2,165			92	114	1,660			484		
	Beef fats 2/										
1955	291	21	312	15	14	251	23	274	42	2	44
1956	297	24	321	10	19	276	26	302	14	1	14
1957	296	29	324	17	21	279	28	308	13	1	14
1958	320	24	343	21	24	303	23	326	14	3	18
1959	304	28	332	22	24	280	24	304	21	1	23
1960	375			27	30	364			9		
	Total edible vegetable oils 3/ 4/										
1955	5,741	447	6,188	575	548	3,987	319	4,306	1,781	139	1,920
1956	5,995	445	6,440	536	483	3,921	373	4,294	2,128	91	2,220
1957	6,156	422	6,579	463	496	4,249	408	4,657	1,874	124	1,998
1958	6,968	574	7,542	470	583	4,467	398	4,865	2,334	228	2,561
1959	7,654	555	8,209	527	564	4,672	407	5,079	2,896	135	3,031
1960	7,710			575	1,000	4,812			2,422		

Continued -

Table 27.--Food fats and oils: Supply and disposition, 1955-60

Year beginning October	Production			Stocks		Domestic disappearance			Exports		
	Oct.-Aug.	Sept.	Oct.-Sept.	Oct. 1	Sept. 1	Oct.-Aug.	Sept.	Oct.-Sept.	Oct.-Aug.	Sept.	Oct.-Aug.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
	Cottonseed oil 4/										
1955	1,728	165	1,893	361	232	1,271	113	1,384	586	31	617
1956	1,514	115	1,629	254	136	1,219	91	1,310	413	14	427
1957	1,324	96	1,420	146	128	1,094	100	1,195	248	2	250
1958	1,425	164	1,589	154	152	1,038	109	1,147	389	17	406
1959	1,699	133	1,832	190	200	1,198	102	1,300	491	15	506
1960	1,676			217	183	1,366			344		
	Soybean oil 4/										
1955	3,631	253	3,884	179	255	2,365	174	2,539	1,190	107	1,297
1956	4,075	294	4,369	227	313	2,321	244	2,565	1,668	77	1,745
1957	4,451	288	4,738	286	337	2,779	272	3,051	1,621	122	1,743
1958	5,089	371	5,460	281	384	3,056	248	3,304	1,930	209	2,139
1959	5,503	388	5,891	298	312	3,104	272	3,376	2,385	120	2,505
1960	5,548			308	766	3,033			2,057		
	Corn oil 5/										
1955	248	22	270	19	24	244	23	267	---	---	---
1956	262	24	286	23	19	266	27	293	---	---	---
1957	272	26	298	16	20	268	21	289	---	---	---
1958	297	29	325	25	27	294	32	327	---	---	---
1959	316	28	344	24	38	301	27	329	---	---	---
1960	322			39	35	325			---		
	Peanut oil 4/ 5/										
1955	87	5	92	10	31	61	7	68	5	1	6
1956	99	8	107	27	11	68	6	74	47	1	48
1957	61	7	68	12	8	60	8	68	5	1	5
1958	106	6	112	7	19	78	9	87	15	2	16
1959	89	3	92	15	15	69	5	74	20	1	20
1960	112			12	16	88			21		

1/ Includes butter, except farm; lard, except farm; beef fats; and edible vegetable oils. Production and exports include the oil equivalent of exported oilseeds. Domestic disappearance and exports have been adjusted for exports of processed food oils not classified by kind, shortening, margarine, and other secondary fats. Exports also include shipments and quantities from CCC stocks that were not reported in Census data.

2/ Includes edible tallow, oleo stock, oleo oil and oleostearine.

3/ Includes cottonseed, soybean, corn, peanut, and edible olive oils. Production includes imports of corn, peanut, and olive oil.

4/ Production and exports include oil equivalent of oilseeds exported for crushing.

5/ Production includes imports of oil.

Totals computed from unrounded numbers.

Table 28.--Selected nonfood fats and oils: Supply and disposition, 1955-60

Year	Production			Stocks		Domestic disappearance			Exports		
	Oct.-Aug.	Sept.	Oct.-Sept.	Oct. 1	Sept. 1	Oct.-Aug.	Sept.	Oct.-Sept.	Oct.-Aug.	Sept.	Oct.-Sept.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
						Inedible tallow and grease					
1955	2,967	248	3,215	260	319	1,538	139	1,677	1,372	121	1,494
1956	2,893	254	3,147	306	256	1,634	153	1,786	1,312	118	1,431
1957	2,647	249	2,896	239	241	1,631	168	1,799	1,014	92	1,107
1958	2,924	289	3,214	230	323	1,653	154	1,808	1,180	131	1,311
1959	3,232	296	3,527	327	311	1,636	158	1,794	1,612	106	1,718
1960	3,258			343	375	1,599			1,628		
						Coconut oil 1/					
1955	552	44	596	96	65	574	33	607	9	1	9
1956	552	49	601	75	47	572	38	611	8	1	9
1957	600	57	656	57	65	583	60	644	8	1	9
1958	568	55	623	60	44	577	55	632	7	1	8
1959	585	52	637	2/308	2/327	558	56	615	8	1	8
1960	600			2/323	2/294	625			3		
						Fish and marine oil 1/					
1955	222	29	251	93	85	91	---	75	138	17	156
1956	177	32	209	113	75	106	1	107	109	27	136
1957	198	33	230	80	140	82	14	96	56	5	61
1958	207	34	241	153	124	93	13	106	143	8	152
1959	201	36	237	136	95	105	7	112	138	14	152
1960	290			110	160	117			123		
						Tall oil					
1955	625	47	672	59	97	549	46	595	38	1	39
1956	577	45	623	96	112	516	48	564	46	3	50
1957	623	56	679	106	123	571	59	630	36	3	39
1958	707	62	769	116	142	656	61	717	25	2	27
1959	753	60	814	141	126	726	70	795	42	4	47
1960	712			113	100	687			38		
	July-Aug.	Sept.-June	July-June	July 1	Sept. 1	July-Aug.	Sept.-June	July-June	July-Aug.	Sept.-June	July-June
						Linseed oil					
1955	94	601	695	139	89	120	431	552	23	117	140
1956	38	494	532	142	97	81	416	497	3	75	78
1957	130	405	535	99	99	88	347	435	42	45	87
1958	56	392	448	112	81	87	368	455	1	8	8
1959	98	367	465	97	105	90	329	418	1	54	55
1960	38	361	399	90	61	62	308	370	4	20	24

1/ Production includes imports of oil.

2/ Includes GSA stockpile.

Totals computed from unrounded numbers.

Table 29.--Fats, oils, including their products: Production from domestic and imported materials, and factory and warehouse stocks at end of month

Item	Production 1/						Stocks			
	October-August		1960	1961			1960	1961		
	1959-60	1960-61	August	June	July	August	August 31	June 30	July 31	August 31
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
PRIMARY FATS AND OILS										
Food fats and oils										
Butter 2/	1,286.2	1,351.0	96.4	153.8	130.0	108.5	169.3	217.8	249.8	256.5
Lard and rendered pork fat 3/	2,370.0	2,165.0	193.0	205.0	168.0	181.0	108.9	149.6	126.9	114.1
Beef fats	303.6	374.9	30.3	37.6	32.0	39.9	23.8	31.0	33.5	29.7
Total edible animal fats	3,959.8	3,890.9	319.7	396.4	330.0	329.4	302.0	398.4	410.2	400.3
Corn oil	305.0	301.5	29.6	30.0	26.9	30.7	37.7	40.5	40.5	35.1
Cottonseed oil	1,696.1	1,674.5	48.8	60.4	48.1	48.9	200.0	313.1	249.8	182.8
Peanut oil	78.7	100.0	5.9	10.9	10.1	4.2	15.0	24.0	24.2	16.0
Soybean oil	4,039.9	4,159.1	358.5	352.8	345.1	333.9	311.8	761.9	773.2	765.6
Total edible vegetable oils	6,119.7	6,235.1	442.8	454.1	430.2	417.7	564.5	1,139.5	1,087.7	999.5
Soap fats and oils										
Tallow, inedible, and greases excluding wool grease 4/	3,231.9	3,258.2	294.5	291.1	352.7	305.3	310.7	329.1	371.0	374.6
Palm oil	---	---	---	---	---	---	19.6	24.2	26.5	29.1
Fish and marine oil	178.2	239.8	38.0	48.7	58.4	50.6	95.0	108.9	155.7	159.9
Coconut oil 5/	445.3	462.8	47.9	38.0	45.9	47.0	327.0	289.0	295.7	294.3
Total soap fats	3,855.4	3,960.8	380.4	377.8	457.0	402.9	752.3	751.2	848.9	857.9
Drying oils										
Castor oil	---	---	---	---	---	---	23.7	20.5	27.6	22.9
Linseed oil	345.7	389.7	21.7	34.8	33.7	37.9	61.2	94.3	90.6	87.4
Tall oil	753.4	712.5	67.5	69.5	55.7	65.2	126.5	98.1	104.8	99.7
Tung oil	34.0	13.0	---	---	---	---	47.7	15.7	13.6	12.7
Total drying oils	1,133.1	1,115.2	89.2	104.3	89.4	103.1	259.1	228.6	236.6	222.7
Grand total 6/ 7/	15,068.0	15,202.0	1,232.2	1,332.5	1,306.6	1,253.1	1,877.9	2,517.7	2,583.4	2,480.4
From domestic materials	14,622.7	14,739.2	1,184.3	1,294.5	1,260.7	1,206.1				
From imported materials	445.3	462.8	47.9	38.0	45.9	47.0				
FAT-AND-OIL PRODUCTS										
Cooking and salad oils	1,575.4	1,813.7	164.9	170.4	171.8	173.3	48.6	153.7	174.2	142.7
Baking and frying fats (shortening)	2,125.7	2,145.2	218.1	185.9	138.0	220.6	108.3	128.1	102.6	107.3
Margarine	1,557.0	1,581.8	135.2	132.9	123.5	130.5	33.5	45.4	36.6	35.6
Fatty acids	648.0	627.1	65.8	66.4	43.5	61.1	93.6	79.3	77.4	75.4

1/ Factory production except as otherwise noted.

2/ Creamery butter and cold-storage stocks, United States Department of Agriculture.

3/ Total commercial. Excludes farm production. Federally inspected in October-August 1959-60 totaled 2,091.2 million pounds, October-August 1960-61 totaled 1,915.5 million pounds.

4/ Total apparent production.

5/ Stocks include GSA stockpile.

6/ Computed from unrounded numbers.

7/ Excludes estimated output of farm butter and farm lard, 231 million pounds in October-August 1959-60, 196 million pounds in October-August 1960-61. Data includes stocks held by the Government in reported positions.

Table 30.--Imports and exports of fats, oils, oil-bearing materials and fat-and-oil products in terms of oil

Item	Imports for consumption					Exports 1/				
	October-August		1961			October-August		1961		
	1959-60	1960-61	June	July	August	1959-60	1960-61	June	July	August
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils										
Butter	2.5	2.1	.1	2/	.1	18.3	5.4	1.0	.4	.4
Lard	2/	2/	---	---	---	612.5	424.7	31.9	49.0	22.1
Beef fats	.1	.3	---	2/	---	21.3	8.9	.7	.8	.6
Total, edible animal fats	2.6	2.4	.1	2/	.1	652.1	439.0	33.6	50.2	23.1
Corn oil	10.5	20.1	2.2	1.8	.9	---	---	---	---	---
Cottonseed oil	---	---	---	---	---	488.5	342.0	17.6	11.7	14.6
Cottonseed (17 percent)	---	---	---	---	---	2.7	1.8	.1	.1	2/
Olive oil, edible	48.1	51.1	4.3	3.5	4.2	---	---	---	---	---
Peanut oil	---	2/	---	---	---	9.5	8.4	2/	.7	2/
Peanuts, shelled (43.5 percent)	---	---	---	---	---	10.2	12.3	---	.8	.6
Soybean oil	---	---	---	---	---	922.4	668.2	84.4	62.5	73.5
Soybeans (18.3 percent)	2/	2/	---	2/	2/	1,462.7	1,389.0	84.9	84.0	76.4
Other vegetable oils	8.1	11.7	.5	.6	.4	3.9	6.6	.5	2.0	.5
Total, edible vegetable oils	66.7	82.9	7.0	5.9	5.5	2,899.9	2,428.3	187.5	161.8	165.6
Soap fats and oils										
Tallow, inedible	.2	.1	2/	.1	---	1,452.6	1,442.0	138.2	186.1	127.8
Greases	2/	2/	---	2/	---	159.4	185.6	18.2	18.7	21.7
Fish and fish liver oils non-medicinal	.9	2.9	2/	.9	.1	134.8	120.8	21.0	4.4	13.3
Marine mammal oils	22.0	47.1	1.4	2.9	5.4	2.8	1.8	.1	.1	---
Olive oil, inedible	.4	.4	2/	2/	---	---	---	---	---	---
Palm oil	35.9	52.0	5.2	5.2	8.9	---	---	---	---	---
Total, slow-lathering oils	59.4	102.5	6.6	9.1	14.4	1,749.6	1,750.2	177.5	209.3	162.8
Coconut oil	139.6	137.2	5.2	17.4	15.6	7.9	3.5	.3	.2	.3
Copra (64 percent)	428.3	456.9	46.0	52.1	31.0	2/	---	---	---	---
Palm kernel oil	80.6	68.5	2.3	6.8	5.0	---	---	---	---	---
Total, lauric-acid oils	648.5	662.6	53.5	76.3	51.6	7.9	3.5	.3	.2	.3
Drying oils										
Flaxseed (35.7 percent)	2/	2/	---	2/	---	89.2	136.4	28.8	10.5	6.4
Linseed oil	2/	2/	2/	---	---	57.2	20.2	9.6	.1	.2
Oiticica oil	14.3	5.3	---	.7	1.1	---	---	---	---	---
Tall oil	---	---	---	---	---	42.3	38.2	2.8	1.3	1.7
Tung oil	23.8	21.6	2.7	3.3	3.2	12.5	27.9	2.5	.2	1.3
Total	38.1	26.9	2.7	4.0	4.3	201.2	222.7	43.7	12.1	9.6
Other industrial oils and fats										
Cashew nut shell liquid (oil)	5.5	6.2	.5	.1	.3	---	---	---	---	---
Castor oil	96.5	99.4	5.8	15.5	6.7	1.3	1.0	.1	.1	.1
Castor beans (46.5 percent)	3.2	2/	---	---	---	---	---	---	---	---
Fish-liver oils, medicinal	17.3	14.5	2.4	1.0	2.3	.8	.7	.1	2/	.1
Rapeseed oil	2.1	2.7	---	.1	2/	---	---	---	---	---
Wool grease	4.8	4.2	.3	.7	.5	---	---	---	---	---
Other vegetable oils and fats, inedible	---	---	---	---	---	6.0	5.7	.2	.4	.1
Total	129.4	127.0	9.0	17.4	9.8	8.1	7.4	.4	.5	.3
Other products (fat content)										
Margarine	---	---	---	---	---	3.1	2.3	.1	.1	.2
Shortening	---	---	---	---	---	21.8	18.7	1.7	1.7	1.3
Cooking and salad oils	---	---	---	---	---	27.6	19.3	1.9	2.0	2.6
Salad products	---	---	---	---	---	3.0	2.9	.3	.3	.3
Soap	.9	1.1	.1	.1	.1	15.2	13.0	.9	1.1	1.1
Fatty acids	.8	2.8	.3	.1	.1	37.8	44.4	3.2	3.0	5.8
Total	1.7	3.9	.4	.2	.2	108.5	100.6	8.1	8.2	11.3
Grand total 3/	946.3	1,008.3	79.1	112.9	85.8	5,627.4	4,951.7	451.0	442.4	373.0

1/ Includes re-exports but not shipments. Shipments average about 90 million pounds per year of which approximately 60 million are lard.

2/ Less than 50,000 pounds.

3/ Computed from unrounded numbers.

Table 31.--Index numbers of wholesale prices of fats and oils

Item	1947-49=100				
	September		1961		
	1959	1960	July	August	September
All fats and oils	67	64	68	68	67
All fats and oils, except butter	51	49	54	55	53
Grouped by origin:					
Animal fats	71	70	70	70	69
Vegetable oils, domestic	50	48	59	59	58
Vegetable oils, foreign	91	73	74	73	76
Grouped by use:					
Butter	93	90	87	88	89
Butter, seasonally adjusted	91	89	93	92	87
Lard	42	50	47	49	48
Food fats other than butter	49	50	55	56	55
Food fats other than butter and lard	52	49	59	59	58
All edible fats and oils	71	70	72	73	73
Soap fats	53	44	48	47	46
Drying oils	62	61	72	71	70
Other industrial	52	48	55	54	53
All industrial	56	49	54	53	52
Edible vegetable oils, grouped by degree of processing:					
Crude	52	49	60	60	58
Refined	56	55	68	68	70
End products	74	75	84	82	82
Margarine	---	69	80	79	79

All indexes except "Butter, seasonally adjusted" and "Other industrial" from Bureau of Labor Statistics.

Table 32.--Prices received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals

Item	Unit	September		1961		
		1959	1960	July	August	September
		Dollars	Dollars	Dollars	Dollars	Dollars
Castor beans, Brazilian ports	Long ton	---	---	---	---	---
Copra, Philippines, c.i.f. Pacific Coast	Short ton	232.50	164.50	155.62	156.88	153.90
Cottonseed, United States average	Short ton	37.90	39.20	49.00	49.90	47.50
Flaxseed, No. 1, Minneapolis	Bushel	3.42	2.98	3.87	3.62	3.66
Flaxseed, United States average	Bushel	3.07	2.65	3.43	3.41	3.35
Peanuts, No. 1, shelled, Spanish, Southeastern shipping points 1/	100 lb.	15.75	16.25	18.50	18.50	18.38
Peanuts, United States average	100 lb.	8.97	9.45	---	9.90	10.70
Soybeans, No. 1, Yellow, Chicago	Bushel	2.09	2.15	2.66	2.62	2.42
Soybeans, No. 1, Yellow, Illinois country shipping points	Bushel	1.98	2.07	2.59	2.63	2.27
Soybeans, United States average	Bushel	1.90	1.97	2.48	2.49	2.24
		Oilseed Meals (Bulk)				
Copra meal, 20 percent protein, Los Angeles	Short ton	74.00	63.00	65.00	65.00	65.00
Cottonseed meal, 41 percent protein, Memphis	Short ton	51.80	52.60	62.75	64.70	58.25
Cottonseed meal, 41 percent protein, Chicago	Short ton	61.80	65.25	70.65	71.90	66.50
Cottonseed meal, 41 percent protein, Atlanta	Short ton	54.25	55.60	69.80	67.70	61.85
Linseed meal, 34 percent protein, Minneapolis	Short ton	65.70	51.35	56.50	55.70	54.35
Linseed meal, 34 percent protein, New York	Short ton	84.50	69.85	70.85	74.25	72.15
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	Short ton	55.45	55.00	62.35	63.60	62.00
Soybean meal, 44 percent protein, Chicago	Short ton	55.50	57.80	68.85	71.10	63.60
Soybean meal, 44 percent protein, Decatur	Short ton	51.70	53.75	65.00	68.90	59.60
Soybean meal, 44 percent protein, Atlanta	Short ton	60.65	61.95	73.10	74.80	70.70
Soybean meal, 44 percent protein, Memphis	Short ton	56.40	57.75	69.15	67.30	62.35

1/ This price applies to peanuts for edible uses.

Compiled from Oil, Paint, and Drug Reporter, Daily Market Record (Minneapolis), Wall Street Journal, Chicago edition, and reports of the Agricultural Marketing Service.

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The issue dates for the Fats and Oils Situation are January, March, May, August, and November. The next issue is scheduled for release late in January 1962.

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